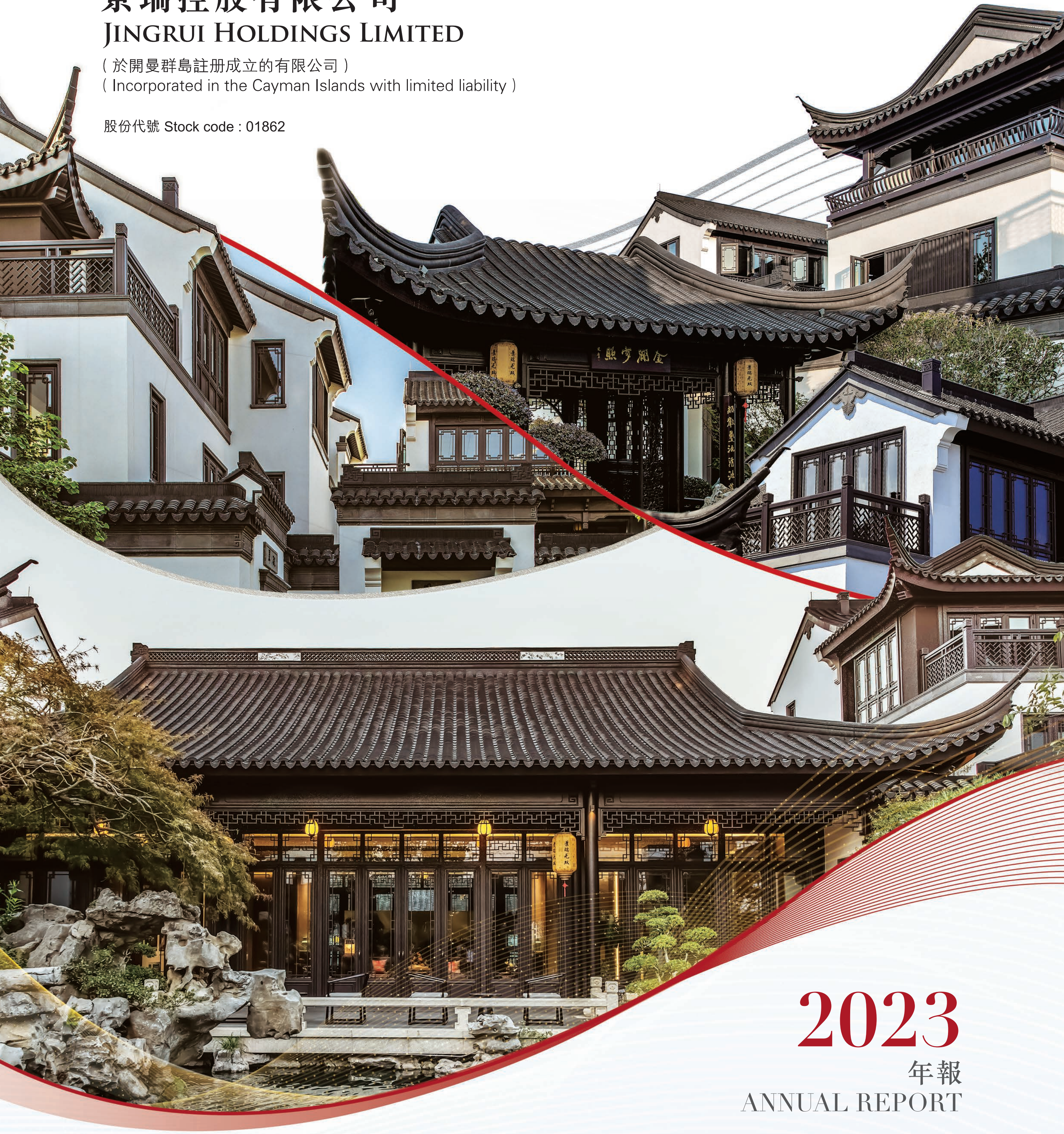
景瑞控股有限公司 *

JINGRUI HOLDINGS LIMITED

（於開曼群島註册成立的有限公司）
（Incorporated in the Cayman Islands with limited liability）

股份代號 Stock code : 01862



2023
年報
ANNUAL REPORT

* 僅供識別 | For identification purpose only

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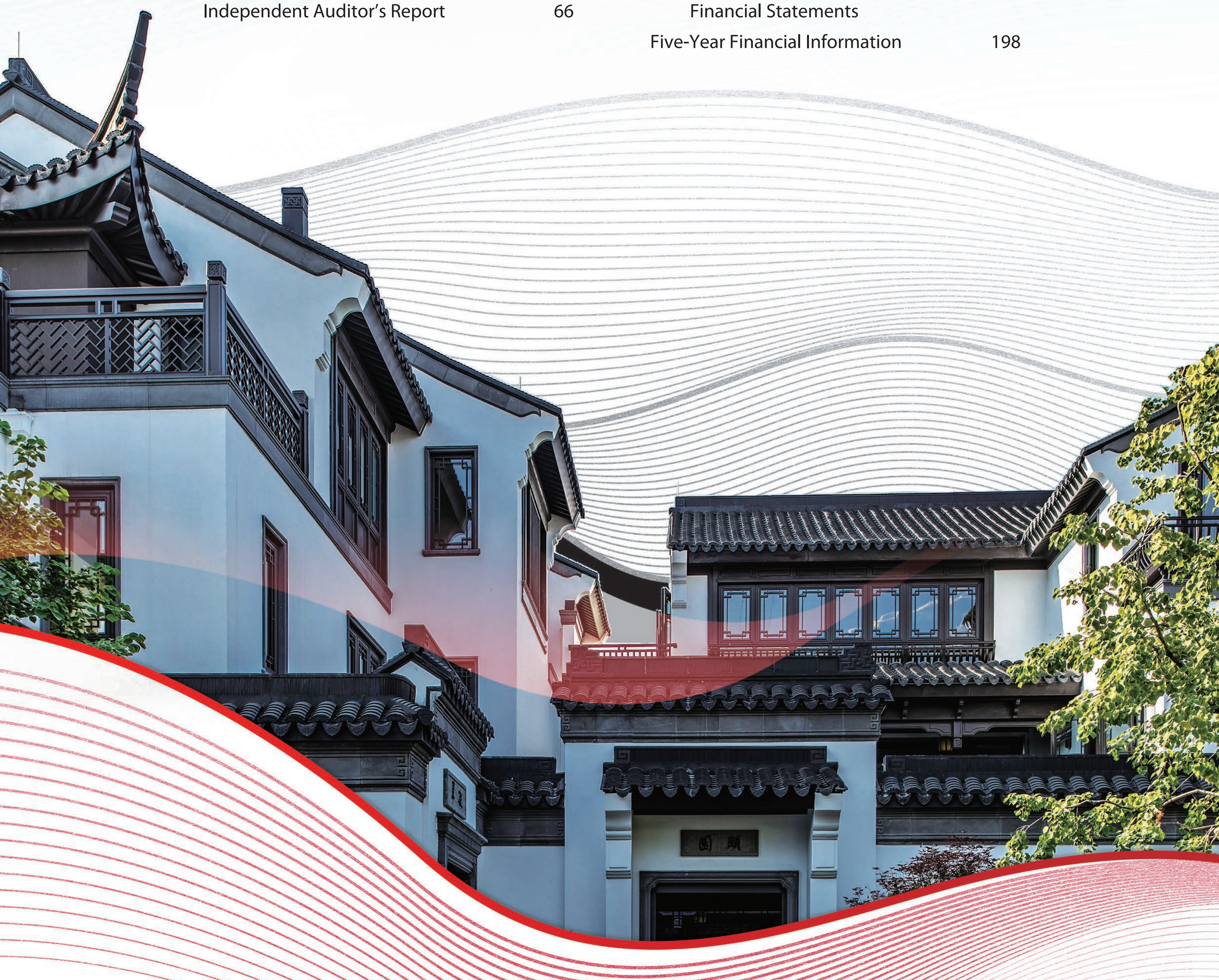
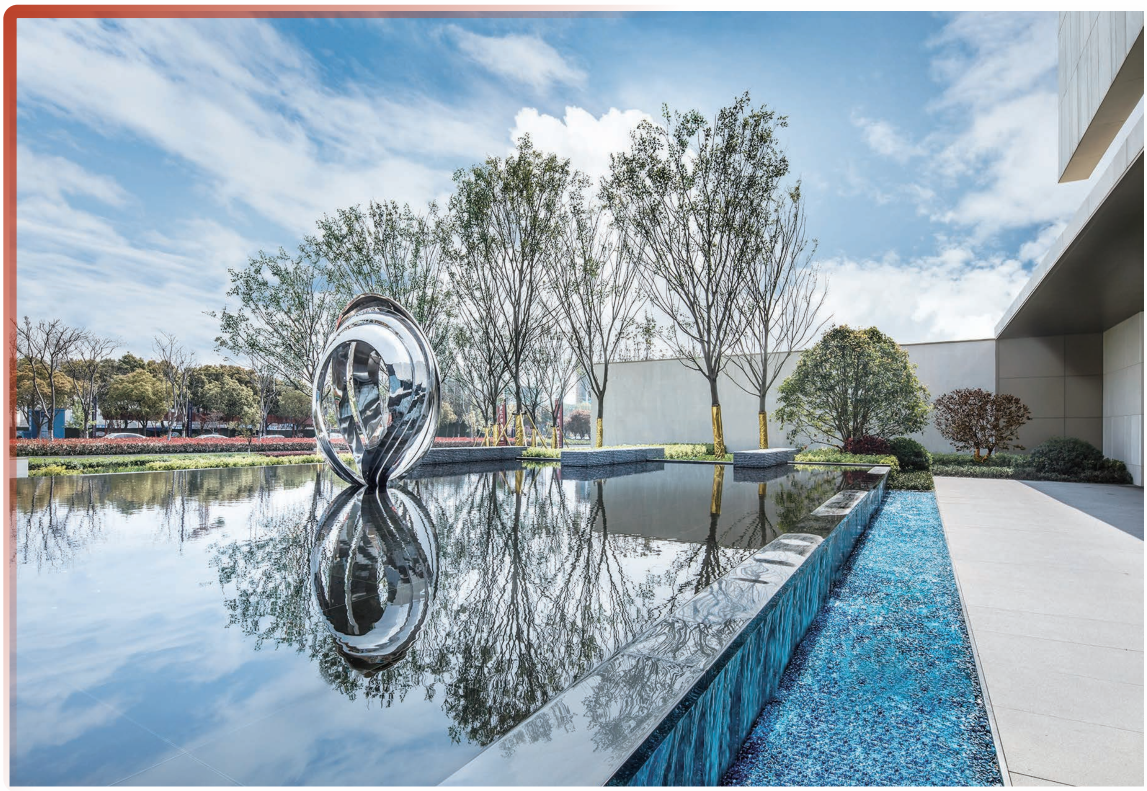


Corporate Profile

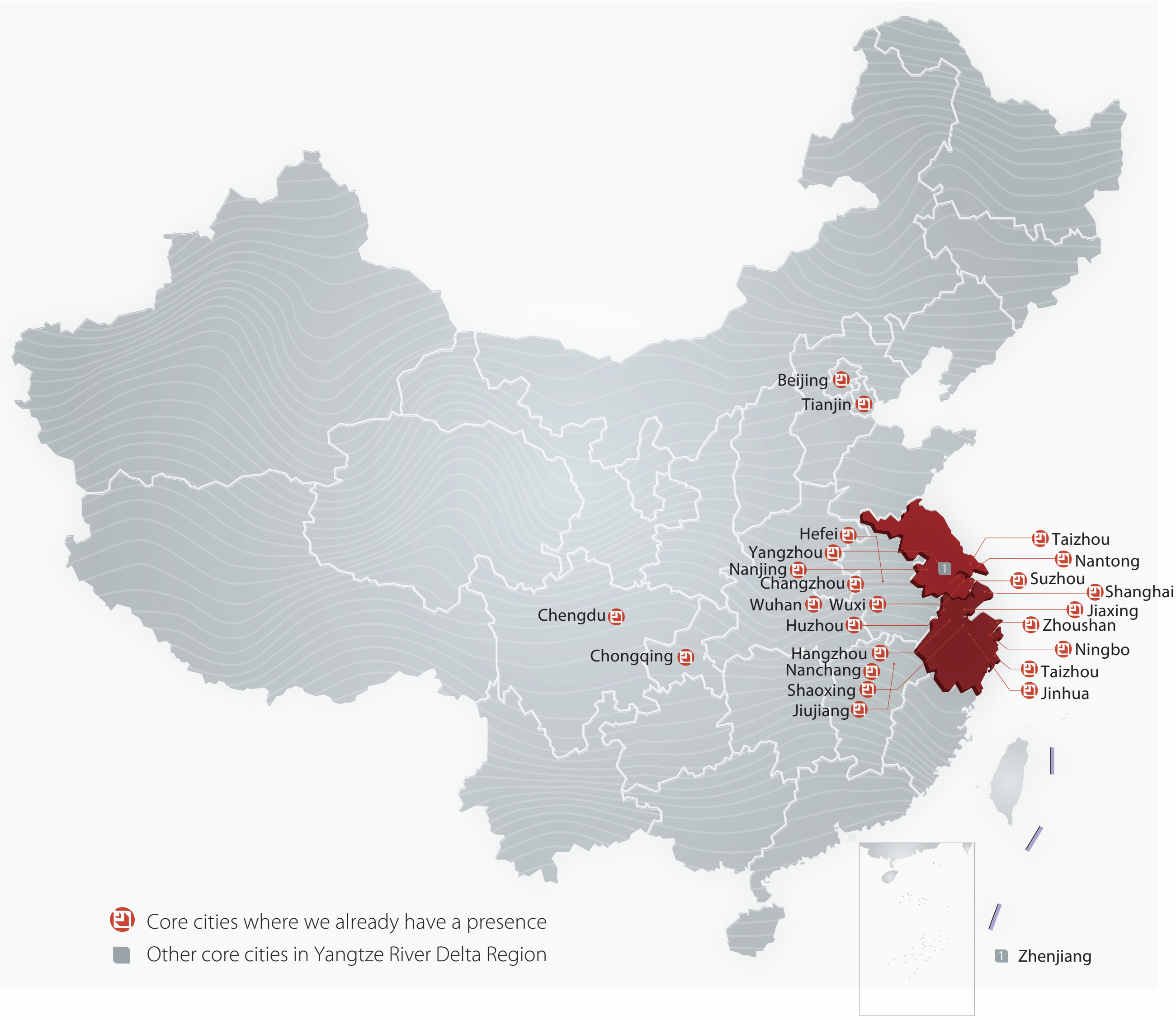


Jingrui Holdings Limited (stock code: 01862.HK) ("**Jingrui**" or the "**Company**") is a leading residential property developer, an asset management operator and a professional service provider in the PRC. Its business segments range from real estate development, urban renewal, asset management, commercial operation and property management. The Company was established in Shanghai in 1993, with the mission of "Dedicated to Building a Wonderful Life" (用心建築精彩生活), and after years of development and accumulation, it was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in October 2013.

With real estate asset management as the core business, Jingrui focuses on residential development, apartment, offices and property services in first- and second-tier core cities and metropolitan areas, contributing to an urban beautiful life and providing end-to-end value-added services to investors.

As of the end of 2023, the Company's business has spanned across 24 cities in China and built and operated 112 projects. It has been presented awards including the "2023 Top 100 Property Services Strength Companies in China, "Excellent Property Brand Companies in 2023", "Leading Enterprise in China's Property Service Satisfaction in 2023", and "2023 Top 100 China Property Services Companies with Quality Value".

Corporate Profile



Jingrui is determined to build a dual-driver powered business model with "customers' value" orientation. By adhering to the transformation direction of "light- asset, refinement and operation-prioritization", it is optimistic about the real estate in the long run and focuses on three major tracks of increment, stock and service with resources concentrated on development business to realize light-asset operation for stock and services.

In the future, facing the macroeconomic situation and profound changes in the real estate industry, we will always stick to the corporate mission of "Dedicated to Building a Wonderful Life", and make use of our light-asset business as catalyst through quality improvement and operational capability building with debt reduction as the starting point to achieve quality development. We will remain true to our original aspiration, seek excellence and achieve the goal of becoming "the pioneer in asset management with the best knowledge in both architecture and lifestyle".

Corporate Information

COMPANY NAME
Jingrui Holdings Limited

EXECUTIVE DIRECTORS
Mr. Yan Hao *(Chairman (re-designated from Co-chairman on 30 March 2023) and Chief Executive Officer)*
Mr. Xu Hai Feng *(Vice President)*
Mr. Chen Chao *(Vice President and Chief Financial Officer)*

NON-EXECUTIVE DIRECTOR
Mr. Chen Xin Ge *(Co-chairman (resigned on 30 March 2023)) (re-designated from executive Director to non-executive Director on 30 March 2023)*

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Han Jiong
Mr. Qian Shi Zheng
Dr. Lo Wing Yan William

AUDIT COMMITTEE
Mr. Qian Shi Zheng *(Chairman)*
Dr. Lo Wing Yan William
Mr. Han Jiong

REMUNERATION COMMITTEE
Mr. Han Jiong *(Chairman)*
Dr. Lo Wing Yan William
Mr. Yan Hao *(appointed on 30 March 2023)*
Mr. Chen Xin Ge *(ceased to serve on 30 March 2023)*

NOMINATION COMMITTEE
Mr. Han Jiong *(Chairman) (re-designated from member of the Nomination Committee on 30 March 2023)*
Dr. Lo Wing Yan William
Mr. Chen Xin Ge *(appointed on 30 March 2023)*
Mr. Yan Hao *(Chairman) (ceased to serve on 30 March 2023)*

RISK MANAGEMENT COMMITTEE
(Merged into the Audit Committee on 30 August 2023)
Mr. Qian Shi Zheng *(Chairman) (ceased to serve on 30 August 2023)*
Mr. Han Jiong *(ceased to serve on 30 August 2023)*
Dr. Lo Wing Yan William *(ceased to serve on 30 August 2023)*

COMPANY SECRETARY
Ms. Jiang Bing Xian

AUTHORISED REPRESENTATIVES
Mr. Yan Hao
Ms. Jiang Bing Xian

COMPANY'S WEBSITE
www.jingruis.com

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Grand Cayman KY1-9005
Cayman Islands

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Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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Wanchai, Hong Kong

LEGAL ADVISERS

As to Hong Kong Law:
Sidley Austin
39/F, Two International Finance Centre
Central, Hong Kong

As to PRC Law:
Grandall Law Firm
23-25/F, Garden Square
968 Beijing West Road, Shanghai, China

As to Cayman Islands law:
Walkers
Suite 1501-1507, Alexandra House
18 Chater Road, Central, Hong Kong

AUDITOR
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Level 23, YF Life Tower, 33 Lockhart Road,
Wan Chai, Hong Kong

STOCK CODE
01862

HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKS
Hong Kong
Industrial and Commercial Bank of China (Asia) Limited
Bank of China (Hong Kong) Limited

PRC
Agricultural Bank of China, Shanghai Branch
China Construction Bank, Shanghai Branch
Bank of China, Shanghai Branch
Bank of Shanghai, Shanghai Branch

FINANCIAL HIGHLIGHTS

KEY FINANCIAL INDICATORS:

	Year ended 31 December				
	2023		2022		Change
	RMB million	**Percentage to revenue %**	RMB million	Percentage to revenue %	%
Revenue	**7,294.5**	**100.0**	7,907.9	100.0	(7.8)
Gross profit	**464.3**	**6.4**	115.2	1.5	303.0
Loss for the year					
– Including non-controlling interests	**(1,841.3)**	**(25.2)**	(4,277.9)	(54.1)	(57.0)
– Attributable to equity holders	**(1,721.2)**	**(23.6)**	(4,269.8)	(54.0)	(59.7)
Core net loss					
– Including non-controlling interests	**(1,836.8)**	**(25.2)**	(4,277.9)	(54.1)	(57.1)
– Attributable to equity holders	**(1,716.7)**	**(23.5)**	(4,269.8)	(54.0)	(59.8)

KEY OPERATION INDICATORS:

	Year ended 31 December		
	2023	2022	Change %
Contracted sales value (RMB million)	**3,787.4**	7,075.6	(46.5)
Contracted sales area (sq.m.)	**210,469.0**	427,019.0	(50.7)
Average contracted selling price (RMB/sq.m.)	**17,995.0**	16,569.8	8.6

KEY RATIO INDICATORS:

	2023 %	2022 %
Gross profit margin (%)	**6.4**	1.5
Total assets turnover (%) (1)	**16.8**	14.3
Return on equity (%) (2)	**(34.7)**	(48.5)
Net debt-to-capital ratio (%) (3)	**386**	267

Notes:

(1) Equal to revenue for the respective year divided by the average of total assets at the beginning and the end of the year.

(2) Equal to loss for the year divided by the average of total equity at the beginning and the end of the year and multiplied by 100%.

(3) Equal to net debt at the end of the year divided by total equity and multiplied by 100%. Net debt is calculated as total borrowing minus cash and cash equivalents and restricted cash.

Chairman's Statement

In line with the market trend and the guidance of national policies, and in the face of the current liquidity dilemma, Jingrui will actively safeguard the interests of all stakeholders, including customers, suppliers and investors, revitalize the stock assets, penetrate into value cities, make "ensuring delivery" as the core of its current work, focus on building the delivery power of the enterprise, so as to win the trust of the government, homebuyers, financial institutions and investors. In the future, Jingrui will continue to further make its efforts in core cities and metropolitan areas, enhance its product strength and refined operation capabilities, deepen its large-scale asset management model, continue to build outstanding projects, forge solid operation management capabilities, improve asset values and realize high-quality development.

Yan Hao
Chairman

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited ("**Jingrui**" or the "**Company**"), I am pleased to present the business review and outlook of the Company and its subsidiaries (the "**Group**", "**we**" or "**us**") for the year ended 31 December 2023 (the "**Year**").

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 ("**PRC**") 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

Chairman's Statement

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% as compared to the previous year, 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.

Operational Performance

In 2023, under the context of poor overall operation of the real estate sector in Mainland China and profound adjustment in the industry, Jingrui's marketing continued to decline, and liquidity shortage intensified. During the reporting period, the Group's accumulated contracted sales was approximately RMB3.787 billion, which represents a decrease of 46.5% from last year (2022: RMB7.076 billion). The contracted sales area was approximately 210,469 sq.m., with anaverage contracted sales price of RMB17,995 per 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. At present, all of Jingrui's issued offshore USD denominated senior notes have expired, and the Company will take into account the overseas market and its operating conditions, actively communicate with investors, and strive to launch a restructuring proposal as soon as possible.

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 gross floor area ("**GFA**") for land reserves owned by the Group was approximately 2,206,909 sq.m. We expect the land reserves to be sufficient to meet the Group's development needs for the next two years.

Consolidating the operation foundation to promote the development of enterprises

Since 2020, the regulation and controls on the real estate sector have been shifted from tightening such as the "Three Red Lines" to relaxation such as "16-point". The real estate market and real estate enterprises have undergone subversive changes. The traditional real estate development model has come to an end, and real estate enterprises are generally in the predicament of liquidity crunch. In order to seek development, real estate companies must shift towards refined and high-quality development, and explore new development models which focuses on revitalizing stock assets, parallel development of housing for lease and for sale, housing system construction and light-asset operation. Confronted with the insufficient illiquidity since the second half of 2021, in particular, the liquidity dilemma arising from the default of USD denominated debts in 2022, reducing leverage, enhancing services and improving quality became important goals for Jingrui's work in 2023.

Jingrui Properties has been always adhering to the "customer-oriented" value and striving to create values for customers. In view of the continuous strict supervision of the capital of real estate enterprises in 2023, Jingrui Properties took "ensuring delivery" as the core of its work throughout the year. In 2023, Jingrui Properties has completed a total of 15 projects and 20 batches of projects such as Wuxi Jingrui Hubin Tianyu and Tianjin Jingrui Yujing Tiandi, with a total of 9,237 units delivered, meeting the occupancy needs of nearly 10,000 home buyers and fulfilling its corporate social responsibility to the greatest extent. On the other hand, Jingrui Properties takes customer needs as its orientation, strives to make product improvement and upgrades, and strictly upholds the quality of projects. In terms of project construction, the model of cooperation with all strategic units was adopted, and more than

30 special meetings on quality control were held throughout the year to systematically rationalise each sensitive part of products. The craftsmanship system standards and quality control stopping point system were strictly implemented, and the Group's professional personnel worked at the basic level for more than 120 days to implement all-rounded management of projects. At the same time, in order to seek sustainable development, Jingrui Properties has changed its concept and conducted in-depth research of the real estate development model under the new situation from the aspects of high-quality investment, high-value operation, high-quality positioning and refined marketing management, so as to gather strength for a new start.

Jingrui Capital, as a platform under Jingrui designed for investment, development, renovation and operation of rental apartments and office buildings, focuses on urban renewal and land matching with long-term rented apartments as strategic business and office buildings as opportunity-based business. Through the holding, management and operation of stock properties, Jingrui Capital deeply explores asset value, develops quality space for customers, meanwhile provides investors with "end-to-end" services and pursues the mission of "Dedicated to Developing Assets Value" (用心共築資產價值). As of 31 December 2023, Jingrui Capital had 7 apartment projects and 3 commercial and office projects in first tier cities such as Beijing and Shanghai and the asset management scale was nearly RMB5.26 billion. It successfully withdrew from 10 projects. During the Year, a total of RMB0.212 billion of rental income was realized from apartment and office projects. 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, etc. The proceeds from such disposals were utilized as the general working capital of the Group, which improved the Group's liquidity issue.

The "small property services" concerns the "big people's livelihood". With the return of industry value to rationality, Jingrui Service focuses more on quality development. As of 31 December 2023, the business footprint of Jingrui Service covers more than 50 cities, such as Shanghai, Zhejiang, Jiangsu, etc. Its contracted GFA is 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 focuses on the actual need of properties' owners, creates high-quality space services for customers, adheres to the philosophy of "serving with heart and creating beauty", and takes "promoter of a better life in Chinese cities" as the development goal. It focuses on the actual needs of properties' owners and strives to be practical and innovative, the company integrates the vision of "Proactive Service Provider Adhering to Quality" into full-type, full-scenario and full-lifecycle services through services and execution. In 2023, Jingrui Service was presented awards, including the "Top 50 China Property Services Companies with Comprehensive Strength in 2023" and "Top 100 China Property Service Enterprise with Quality Value in 2023".

Prospect

Looking ahead to 2024, the real estate policy at the central level is expected to take a three-pronged approach: firstly, to provide financial support for the construction of the "three major projects", which will subsequently become the starting point to promote the construction of the new model of real estate development; secondly, to implement the "three no-lowers" and other financial support to the supply end; and thirdly, to reduce the tax for housing transactions, which would stabilize the demand and thus stabilize the market. On the whole, the real estate market will still be in the stage of climbing uphill slowly under favourable policies in 2024, and under the general trend of gradual macroeconomic recovery, the real estate market will explore new supply and demand relationships and operation and financing models, and establish a new market order for development breakthroughs.

Chairman's Statement

In line with the market trend and the guidance of national policies, and in the face of the current liquidity dilemma, Jingrui will actively safeguard the interests of all stakeholders, including customers, suppliers and investors, revitalize the stock assets, penetrate into value cities, make "ensuring delivery" as the core of its current work, focus on building the delivery power of the enterprise, so as to win the trust of the government, homebuyers, financial institutions, investors and etc.. In the future, Jingrui will continue to further make its efforts in core cities and metropolitan areas, enhance its product strength and refined operation capabilities, deepen its large-scale asset management model, continue to build outstanding projects, forge solid operation management capabilities, improve asset values and realize high-quality development.

Finally, on behalf of the Board, I would like to express our sincere gratitude to all of our investors, partners, customers and all employees of our Group. In the face of changes in the real estate market, Jingrui will give full play to its own genetic advantages, continue to improve its overall competitiveness, follow the trend of the times, be at the forefront of leading the future, continue to inject new momentum for future development, and create more real value for our investors, partners, customers, and employees.

Jingrui Holdings Limited
Yan Hao
Chairman

Breakdown of Major Properties

Completed and Partially Completed Projects

Project Name	Project Type	Gross Floor Area Available for Sale, Lease or Use by the Group (sq.m.)	Percentage of Interest in the Project Attributable to the Group (%)	Attributable Gross Floor Area (sq.m.)
Shanghai Jingrui Life Square	Commercial	43,851	100	43,851
Shanghai Jingrui City Park (Phase 1)	Composite	3,281	100	3,281
Shanghai Jingrui Elite Residences	Residential	9,916	100	9,916
Shanghai Jingrui Xinmei Mansion Project	Commercial	1,362	100	1,362
Shanghai Jingrui Yinqiao Apartment Project	Commercial	8,883	100	8,883
Beijing Jingrui San Quan Apartments Project	Residential	24,300	100	24,300
Beijing Jingrui Foresea Zhongjin Project in Zhongguancun	Office	5,369	100	5,369
Tianjin Jingrui No.1 Tang Gu Bay	Residential & commercial	22,314	100	22,314
Tianjin Jingrui Hanlin	Residential & commercial	8,675	100	8,675
Tianjin Jingrui No.6 Tang Gu Bay	Residential & commercial	207	100	207
Tianjin Yuetiandi	Residential & commercial	39,563	49	19,386
Tianjin Jingrui Yuexitai	Residential & commercial	16,651	51	8,492
Tianjin Sea Blue City	Residential	15,735	49	7,710
Tianjin Jingrui Yujing Tiandi	Residential & commercial	54,661	100	54,661
Suzhou Jingrui Taicang Yueting	Residential	3,082	99	3,051

Breakdown of Major Properties

Project Name	Project Type	Gross Floor Area Available for Sale, Lease or Use by the Group (sq.m.)	Percentage of Interest in the Project Attributable to the Group (%)	Attributable Gross Floor Area (sq.m.)
Suzhou Changshu In Times	Commercial	946	32	303
Suzhou Jingrui Changshu Jiangnan Mansion (Phase 2)	Residential	64,134	34	21,806
Wuxi Jingrui Hubin Tianyu	Residential	14,096	71.4	10,065
Changzhou Jingrui Chenyun Tianfu	Residential	104,132	89.43	93,125
Changzhou Jingrui Dawn City/England County	Residential	9,814	100	9,814
Yangzhou Jingrui Yujing Fenghua	Residential	4,351	100	4,351
Yangzhou Tianfu Xingchen	Residential	14,545	30	4,364
Hangzhou Jingrui Haiyi Cuiting	Residential & commercial	832	100	832
Hangzhou Jingrui Qinghai	Residential & commercial	369	100	369
Ningbo Jingrui Harbour City	Commercial	42,026	50	21,013
Chongqing Jingrui Jiangshan Yufu	Residential	2,204	100	2,204
Wuhan Jingrui Tianfu Peninsula	Composite	7,635	54	4,123
Wuhan Jingrui Tianfu Binjiang	Residential	9,482	40	3,793
Wuhan Jingrui Jiangnanyue	Residential	40,855	30	12,257
Nanjing Jingrui Xitang Mansion	Composite	4,264	100	4,264
Total		**577,535**		**414,141**

Breakdown of Major Properties

Projects under Development and under Planning

Project	Project Type	Expected Completion Date	Gross Floor Area under Development (sq.m.)	Gross Floor Area under Planning (sq.m.)	Percentage of Interest in the Project Attributable to the Group (%)	Attributable Gross Floor Area (sq.m.)
Shanghai Jingrui City Park	Composite	31/12/2025		39,628	100	39,628
Phase 2				39,628		
Tianjin Jingrui Yuexitai	Residential & commercial	30/12/2025	26,326		51	13,426
Tianjin Yuetiandi	Residential & commercial	30/12/2025	18,059		49	8,849
Jinhua Jingrui Wuyi Wushuang	Residential	31/12/2024	84,099		81.99	68,951
Ningbo Jingrui Ninghai Yujing Chaoming	Residential	31/8/2024	81,977		100	81,977
Suzhou Changshu In Times	Commercial	15/5/2024	97,341		32	31,149
Changzhou Jingrui Chenyun Tianfu	Residential	30/9/2025	84,636		89.43	75,690
Yangzhou Tianfu Xingchen	Residential	30/9/2024	152,749		30	45,825
Chengdu Jingrui Yujing Fenghua, North	Residential & commercial	19/4/2024	76,988		51.2	39,418
Chengdu Jingrui Yujing Fenghua, South	Residential & commercial	25/1/2024	74,935		84	62,945
Chongqing Jingrui Jiangshan Yufu	Residential & commercial	30/5/2024	62,333		100	62,333
Chongqing Tianchen Yujing	Residential & commercial	15/12/2024	47,954		51	24,457

Breakdown of Major Properties

Project	Project Type	Expected Completion Date	Gross Floor Area under Development (sq.m.)	Gross Floor Area under Planning (sq.m.)	Percentage of Interest in the Project Attributable to the Group (%)	Attributable Gross Floor Area (sq.m.)
Wuhan Jingrui Tianfu Binjiang	Composite	30/6/2024	265,043		40	106,017
Wuhan Jingrui Caidian Sino-French Youxuan Project	Residential	31/12/2026		133,544	54	72,114
Wuhan Jingrui Jiangnanyue	Residential	31/12/2026	90,083		30	27,025
Wuhan Jingrui No.145 Jiangxia Wulijie P (2020)	Residential	31/12/2026	187,542		54	101,273
Wuhan Jingrui Jiangshanyue	Residential & commercial	30/6/2024	106,137		60	63,682
Total			**1,456,202**	**173,172**		**924,759**

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 PRC 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, 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% as compared to the previous year, 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 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 sq.m.	Contracted Sales RMB'000	Contracted Average Selling Price 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 sq.m.	Contracted Sales RMB'000	Contracted Average Selling Price 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**
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 sq.m.	Percentage of the Group's Total GFA %	GFA Attributable to the Group's Interests sq.m.	Percentage of GFA Attributable to the Group's Interests %
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 RMB'000	Percentage of Total Revenue %	GFA sq.m	Average Selling Price 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 (悅榿公寓) 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 a 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 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-scene 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 ("**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 ("**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. Details of the Share Award Scheme and Share Option Scheme are set out in the sections headed "Share Award Scheme" and "Share Option Scheme" of this annual report.

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		
			Year-on-year
	2023	2022	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 report, 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.

Prospect

Looking ahead to 2024, the real estate policy at the central level is expected to take a three-pronged approach: firstly, to provide financial support for the construction of the "three major projects", which will subsequently become the starting point to promote the construction of the new model of real estate development; secondly, to implement the "three no-lowers" and other financial support to the supply end; and thirdly, to reduce the tax for housing transactions, which would stabilize the demand and thus stabilize the market. On the whole, the real estate market will still be in the stage of climbing uphill slowly under favourable policies in 2024, and under the general trend of gradual macroeconomic recovery, the real estate market will explore new supply and demand relationships and operation and financing models, and establish a new market order for development breakthroughs.

In line with the market trend and the guidance of national policies, and in the face of the current liquidity dilemma, Jingrui will actively safeguard the interests of all stakeholders, including customers, suppliers and investors, revitalize the stock assets, penetrate into value cities, make "ensuring delivery" as the core of its current work, focus on building the delivery power of the enterprise, so as to win the trust of the government, homebuyers, financial institutions and investors. In the future, Jingrui will continue to further make its efforts in core cities and metropolitan areas, enhance its product strength and refined operation capabilities, deepen its large-scale asset management model, continue to build outstanding projects, forge solid operation management capabilities, improve asset values and realize high-quality development.

Directors and Senior Management

Executive Directors

Mr. Yan Hao (閆浩), aged 55, is one of the founders and the chairman and chief executive officer of the Group. He was appointed as an executive Director on 6 October 2013, appointed as an authorised representative of the Company on 18 January 2020 and re-designated as the chairman of the Board from the co-chairman of the Company on 30 March 2023. Mr. Yan is responsible for the overall strategic planning and business direction and the day-to-day business and management of the Group. Mr. Yan also serves as a member of our Remuneration Committee. Mr. Yan obtained an EMBA degree from Fudan University (復旦大學) in June 2004. He has more than 30 years of experience in the PRC real estate industry. Mr. Yan co-founded Jingrui Properties (Group) Co., Ltd. ("**Jingrui Properties**", formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Chen Xin Ge, and has since served as the deputy general manager, building our business to its current scale from 1993 to 1999 and the chief executive officer since 1999, being responsible for overseeing our day-to-day operations, strategic directions and business growth.

Mr. Xu Hai Feng (徐海峰), aged 50, is the vice president of the Group. He was appointed as an executive Director on 15 March 2018. Mr. Xu graduated from Tongji University in June 1998 with an engineering degree. He obtained the EMBA degree from CEIBS in September 2013. After graduation, Mr. Xu joined Shanghai Pu Nan Public Transport Co., Ltd. (上海浦南大眾公共交通有限公司), from which he left in April 2001 to join the Group as a senior manager of HR department, and is primarily in charge of formulating and implementing the human resources strategy of the Group. From June 2009 to July 2017, Mr. Xu served successively as the deputy general manager of Jingrui Properties' company in Chongqing, the human resources administrative Director of Jingrui Properties, assistant to the president of Jingrui Properties and the executive vice president of Jingrui Properties. He has been in charge of human resources matters and real-estate business of the Group. Mr. Xu served as the executive president of Jingrui Properties from August 2017 to June 2018, being responsible for the overall operation and management of the Group's real estate business. Mr. Xu was appointed by the Company as the vice-president of the Company on 22 June 2018 and concurrently served as the chairman and president of Jingrui Properties.

Mr. Chen Chao (陳超), aged 46, is the vice president and the chief financial officer of the Group, and the chairman of Yan Capital Management. He was appointed as an executive Director on 30 March 2020. Upon joining the Company in July 2018, Mr. Chen was responsible for financial matters, financing, capital markets and fund business. Mr. Chen joined Xiamen Tianjian Certified Public Accountants Co., Ltd. (廈門天健有限責任會計師事務所) as the audit project manager in June 2001. In November 2006, he joined Xiamen ITG Group Corp., Ltd. (廈門國貿集團股份有限公司) (stock code: 600755) as the deputy general manager of the finance department and concurrently the financial controller of Xiamen Guomao Real Estate Group (廈門國貿地產集團). From July 2012 to June 2018, he served as the vice president of Yuzhou Properties Company Limited (禹洲地產股份有限公司) (stock code: 01628), in charge of the finance, capital, legal affairs, risk control and other businesses. He also acted as the vice president of Yuzhou Financial Holdings Group (禹洲金控集團) the leader of the South China region and the chairman of Yuzhou Property Group (禹洲物業集團). He has nearly 20 years of experience in financial management. Mr. Chen obtained a bachelor's degree in accounting from Xiamen University and an MBA degree from Xiamen University in June 2001 and June 2011, respectively with the qualification of Chinese Certified Public Accountant.

Non-executive Director

Mr. Chen Xin Ge (陳新戈), aged 55, is one of the founders of the Group. He was appointed as an executive Director on 6 October 2013 and re-designated as a non-executive Director on 30 March 2023, and served as the co-chairman of the Company from October 2013 to March 2023. Mr. Chen is responsible for determining the overall strategic planning and business direction of the Group together with Mr. Yan. Mr. Chen also serves as a member of our Nomination Committee. Mr. Chen graduated from Capital University of Economics and Business (首都經濟貿易大學) in March 2001. He also completed the EMBA Program at Cheung Kong Graduate School of Business in September 2007 and obtained a diploma of Executive Master of Business Administration. Mr. Chen has more than 30 years of experience in the PRC real estate industry. Mr. Chen co-founded Jingrui Properties in 1993 with Mr. Yan, and has since served as the general manager, building our business to its current scale from 1993 to 1999 and the chairman of the Board since 1999, being responsible, along with Mr. Yan, for the strategic directions and business growth of the Group.

Directors and Senior Management

Independent Non-Executive Directors

Mr. Han Jiong (韓炯), aged 55, was appointed as an independent non-executive Director on 6 October 2013. Mr. Han has been appointed as a member of our Audit Committee, the chairman of our Remuneration Committee and the chairman of our Nomination Committee and is responsible for supervising and providing independent judgment to the Board, and in particular, as the chairman of the Remuneration Committee, he is responsible for overseeing the policy and structure of the remuneration for the Directors and senior management, structure and composition of the Board and making recommendations on employee benefit arrangements, appointment of Directors, and Board diversity. Mr. Han graduated from East China University of Political Science and Law (華東政法大學) in July 1992, and qualified as a lawyer in the PRC in February 1993. He joined Shanghai Jinmao Law Firm (上海金茂律師事務所) in July 1992, and was an associate when he left in December 1998. He was a founding partner of Llinks Law Offices (通力律師事務所) which was opened in November 1998, and he is currently a director of management committee, executive partner. Mr. Han was a member of the Seventh and the Eighth CSRC Public Offering Review Committee from January 2005 to April 2007, and was appointed by the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) as a member of the First and the Second Review Committee for the Enterprise Annuity Fund Management Association (企業年金基金管理機構評審委員會) from June 2005 to August 2009. He was a council member of the Shanghai Bar Association (上海市律師協會) from April 2008 to April 2015.

Mr. Qian Shi Zheng (錢世政), aged 73, was appointed as an independent non-executive Director on 6 October 2013. Mr. Qian has been appointed as the chairman of our Audit Committee. He is responsible for reviewing and supervising the financial reporting process and internal risk control system as well as overseeing the audit process of the Group. Mr. Qian received a bachelor's degree in accounting from Shanghai University of Finance and Economics in 1983, and obtained a Doctorate in Management Science from Fudan University (復旦大學) in July 2001. Mr. Qian has been an associate professor at Fudan University (復旦大學) specialized in accounting since 1995. Mr. Qian joined Shanghai Industrial Investment (Holdings) Co., Ltd. in January 1998 and has served as its vice president from September 2005 to 2012. Mr. Qian currently serves as an independent non-executive director of Lonking Holdings Limited (stock code: 3339), a company listed on the Stock Exchange. Mr. Qian served as an independent non-executive Director of Hanhua Financial Holding Co., Ltd., a company listed on the Stock Exchange (stock code: 3903) from June 2013 to October 2022 and an independent non-executive director of Red Star Macalline Group Corporation Ltd. (stock code: 1528), Ltd., a company listed on the Stock Exchange from April 2016 to August 2023. Mr. Qian is currently teaching in Fudan University (復旦大學) and has over 40 years of teaching and work experience in the finance and accounting fields.

Dr. Lo Wing Yan William (盧永仁), JP, aged 63, was appointed as an independent non-executive Director on 6 October 2013. Dr. Lo has been appointed as a member of our Audit Committee, Remuneration Committee and Nomination Committee, and is responsible for supervising and providing independent judgment to the Board and performing other duties and responsibilities as assigned by the Board. Dr. Lo holds a master's degree and a Doctorate from the University of Cambridge in England in March 1986 and March 1988 respectively. Dr. Lo was also a Bye-Fellow of Downing College, the University of Cambridge. In 1999, he was appointed as a Justice of Peace (JP) by the government of Hong Kong. From 2003 to 2016, he was appointed as a Member of Shantou Committee of the Chinese People's Political Consultative Conference. In terms of public and community services: Dr. Lo has been appointed by the Hong Kong SAR Government for many times over the past two decades, including a member of the Central Policy Unit, Broadcasting Authority, Listing Committee, Applied Science and Technology Research Institute, and Education Committee. He is also a member of the Cyberport Advisory Panel, a member of the Advisory Committee of the School of Chinese Medicine of the Hong Kong Baptist University, a member of Our Hong Kong Foundation (香港團結基金), an honorary advisor of the Hong Kong Web 3.0 Association and a member of the Hong Kong Adventist Hospital Foundation

Committee. In 2019, Dr. Lo was appointed to participate in and guide the special project on finance and technology research by the banking and finance sector of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Business Advisory Council, and also as an expert member of the GP Research Institution of GP Capital.

In the 1980s, Dr. Lo acted as a strategic consultant for McKinsey & Company; in the 1990s, he served as the managing director of HK Telecom IMS Limited., and founded "Netvigator" and "Interactive TV iTV" (the predecessor of NowTV). He was the CEO of Citibank in Hong Kong and Macau. In 2000, he became the non-executive chairman of WPP Greater China, the world's largest communication group; he was also an executive director and the vice president of China Unicom; he also served as the vice chairman of Fashion Kingdom I.T Group, South China Media (a well-known magazine publishing group in Hong Kong) and Kidsland International Holdings Limited (the largest children and toy retail group in Greater China region).

Dr. Lo is currently the founder of DaZ Master, a digital knowledge payment platform. Dr. Lo is also a governor of the Charles K. Kao Foundation for Alzheimer's Disease, the founding director of a Hong Kong independent school "The ISF Academy", and the chairman of the JAHK Youth Achievement Program. Dr. Lo has served as a director of more than 20 companies listed in Hong Kong, the United States, Singapore and the United Kingdom for more than 20 years. Currently, he is an independent non-executive director of some companies listed on the Stock Exchange, including Television Broadcasts Limited (stock code: 511), CSI Properties Limited (stock code: 497), OCI International Holdings Limited (stock code: 329) and a company listed on the Nasdaq Stock Market, Regencell Bioscience Holdings Limited (stock code: RGC). Dr. Lo is an independent non-executive director of Brightoil Petroleum (Holdings) Limited, a company listed on the Stock Exchange (stock code: 0933, and was delisted on 20 October 2020) from June 2019 to December 2020, an independent non-executive director of SITC International Holdings Company Limited, a company listed on the Stock Exchange (stock code: 1308) from September 2010 to October 2020, an independent non-executive director of Nam Tai Property, Inc., a company listed on the New York Stock Exchange (stock code: NTP) from July 2003 to November 2021, and an independent non-executive director of South Shore Holdings Limited, a company listed on the Stock Exchange (stock code: 577, and was delisted on 9 February 2023) from April 2020 to November 2022 and an independent non-executive director of Oshidori International Holdings Limited, a company listed on the Stock Exchange (stock code: 622) from June 2021 to July 2023.

Senior Management

Ms. Jiang Bing Xian (蔣冰弦), aged 43, is the company secretary and senior legal counsel of the Company. Ms. Jiang joined the Company in November 2004. She was appointed as a joint company secretary in June 2017 and acted as the sole company secretary since May 2021. At the same time, from June 2017 to May 2021, she was responsible for investor relations and capital market matters. She was appointed as a senior legal counsel of the Company in May 2021. Ms. Jiang obtained a bachelor's degree in law from East China University of Political Science and Law in July 2004 and a master's degree in laws from China University of Political Science and Law in January 2015.

Company Secretary

Ms. Jiang Bing Xian has been appointed as one of the joint company secretaries and authorized representative of the Company since 23 June 2017 and acted as the sole company secretary from 7 May 2021. For Ms. Jiang's profile, please refer to the section headed "Senior Management" above.

Corporate Governance Report

The Board is pleased to present this corporate governance report as set out in the annual report of the Company for the year ended 31 December 2023.

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has been in compliance with the principles and code provisions as set out in Part 2 of the CG Code during the year ended 31 December 2023 except for the deviation from code provision C.2.1 and B.2.4(b) as set out below. However, the Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Code Provision C.2.1

Under 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 2023) 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 report, 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 annual general meeting 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 did not appoint a new independent non-executive Director at the annual general meeting 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.

(A) The Board

The Board shall be accountable to the shareholders, responsible for the general strategy, risk management and internal control of the Group. In order to supervise the specific affairs of the Company, the Board has established three board committees, including the Audit Committee, Remuneration Committee and Nomination Committee (together, the "**Board Committees**"), with the Risk Management Committee merged into the Audit Committee on 30 August 2023. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

Composition of the Board

As at the date of this annual report, the Board consists of three executive Directors (namely Mr. Yan Hao, Mr. Xu Hai Feng and Mr. Chen Chao), one non-executive Director (namely Mr. Chen Xin Ge) and three independent non-executive Directors (namely Mr. Han Jiong, Mr. Qian Shi Zheng and Dr. Lo Wing Yan William). The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2023 and up to the date of this annual report, the Board has been in compliance with the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

Under Rule 3.10A of the Listing Rules, independent non-executive directors shall account for at least one-third of the board members. The Company has three independent non-executive Directors currently representing more than one-third of the Board members and therefore the Company has complied with Rule 3.10A of the Listing Rules.

Independent Non-Executive Directors' Independence Evaluation Mechanism

The independent non-executive Directors play an important role on the Board as they provide impartial advice on the Group's strategy, performance and control issues by taking into account the interests of all shareholders. All of the independent non-executive Directors have appropriate academic qualifications, professional qualifications or relevant financial management experience. None of the independent non-executive Directors hold any other positions with the Company or any of its subsidiaries nor do they have any interest in any shares of the Company.

The independent non-executive Directors are responsible for ensuring that the Company maintains high standards of governance, strikes a balance between the powers of the Board and makes effective and independent judgments on corporate actions and operations. The Company has put in place mechanisms to ensure that the Board has access to independent views and opinions. All independent non-executive Directors have devoted sufficient time to attend all meetings of the Board and/or all meetings of their respective committees and to share their views and opinions at such meetings. During the reporting period, the chairman of the Board also held private meetings with the independent non-executive Directors without the presence of other Directors to receive their independent views on matters relating to the Group. The independent non-executive Directors may seek independent professional advice as required by reasonable request to help them discharge their duties to the Company. The Board has confirmed the implementation and effectiveness of the independent non-executive Directors in providing independent views and opinions to the Board for the year ended 31 December 2023.

To ensure that independent non-executive Directors can provide independent views and opinions to the Board, the Nomination Committee and the Board annually evaluate the independence of independent non-executive Directors, and all relevant factors considered include:

- the personality, integrity, expertise, experience and stability requisite to the performance of his/her duties;
- the dedication of time and attention to the affairs of the Company;
- the commitment to performing his/her duties as an independent non-executive Director and to devoting himself/herself to the work of the Board;
- to declare matters of conflict of interest in relation to serving as an independent non- executive Director;
- not be involved in the day-to-day management of the Company and not having any relationship or circumstance which would influence his or her independent judgment; and
- the chairman of the Board regularly meets with the independent non-executive Directors in the absence of the executive Directors.

The Company has received written annual confirmation of independence from each independent non-executive Director as required by the Listing Rules. The Company considers all the independent non-executive Directors to be independent for the purpose of the independence guidelines set out in Rule 3.13 of the Listing Rules.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision of the CG Code requiring directors to disclose to the issuer the number and nature of offices held in public companies or organizations and other significant commitments as well as the names of such companies or organizations and the time involved in such offices, each Director has agreed to disclose their commitments to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statute, laws, rules and regulations. Pursuant to code provision C.1.4 of the CG Code on continuous professional development, the Company also arranges regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant laws and regulations from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

During the year ended 31 December 2023 and up to the date of this annual report, all Directors, namely Mr. Yan Hao, Mr. Xu Hai Feng, Mr. Chen Chao, Mr. Chen Xin Ge, Mr. Han Jiong, Mr. Qian Shi Zheng and Dr. Lo Wing Yan William, participated in continuous professional development. They developed and updated their knowledge and skills in respect of the Listing Rules and other statutory and regulatory requirements through participation in training programs or external seminars, thus making contributions to the Board.

Board Diversity and Diversity Policy

As required by Rule 13.92 of the Listing Rules, the Nomination Committee (or the Board) shall develop a policy concerning board diversity. The Company has adopted a board diversity policy (the "**Board Diversity Policy**") on 18 March 2014, which was amended on 19 December 2018. The existing Directors, who are different from each other in terms of cultural and educational background, professional experience, skills, knowledge, independence and diversity in length of service, can complement each other in corporate governance practices for the formation of a relatively complete corporate governance system. Biographies of our Directors are set out under the section headed "Directors and Senior Management" of this annual report.

Board and Employee Diversity

Board Level

Our incumbent Directors, each with different backgrounds, are complementary to the governance of the Company and form a relatively complete corporate governance system. The nomination policy of the Board is continuing to be improved. We will select qualified candidates who meet these needs in accordance with our growing business requirements to help the Company achieve growth in the future.

The Board plans to appoint at least one female Director to the Board prior to 31 December 2024 in order to increase the proportion of female members on the Board. Given that the Board is monogamous in composition at present and gender diversity on the Board needs to be improved, the Board hopes to increase and enhance the proportion of female members with the ultimate goal of achieving gender parity in the coming years. The Board will continue to search for potential successors to the Board to achieve greater gender diversity through selecting and nominating such candidates by the Nomination Committee.

The Nomination Committee is mainly responsible for identifying talent with adequate qualification to serve as a board member, and will take into account the Board Diversity Policy. The implementation of Board Diversity Policy would be reviewed by the Board on an annual basis to ensure continuous efficiency. Pursuant to the Board Diversity Policy, in relation to reviewing and assessing the Board composition, the Nomination Committee is committed to attaining diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

Taking into consideration of the Company's current business model and specific demands, as well as the different backgrounds, competence, ages and genders of the Directors, the Directors are of the opinion that all the Directors (including independent non-executive Directors) have brought various valuable business experience, knowledge and professional skills to the Board to ensure its effective operation and that the board diversity policy has been effectively implemented.

Employee level

For the year ended 31 December 2023, the workforce of the Company, including senior management, totaled 2,990 employees, of which 54.0% were male and 46.0% were female. The Company considers that it has sufficient diversity in terms of gender and therefore has not set any measurable targets. The Company aims to avoid any form of harassment and discrimination in the workplace regarding age, gender, race, nationality, religion, marital status or disability through the implementation of human resources management policies and to ensure that all employees are treated equally and fairly. The Company will also ensure that gender diversity is promoted in the recruitment of middle and senior level employees and that they are provided with more appropriate on-the-job training and development, job promotion and compensation benefits, thereby achieving greater gender diversity.

Duties of the Board

The functions and duties of the Board include convening general meetings, reporting on the Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the memorandum and articles of association of the Company (the "**Articles**").

Name	Position and role
Mr. Yan Hao	Executive Director, chairman (re-designated as the chairman from co-chairman on 30 March 2023) and chief executive officer and member of Remuneration Committee (appointed on 30 March 2023) (overall strategic planning and business direction and day-to-day business and management)
Mr. Xu Hai Feng	Executive Director and vice president (assisting the chairman and chief executive officer and responsible for the day-to-day business and management of Jingrui Properties)
Mr. Chen Chao	Executive Director, vice president and chief financial officer (assisting the chairman and chief executive officer and responsible for the finance, financing, capital markets and fund business)
Mr. Chen Xin Ge	Non-executive Director (re-designated as a non-executive Director from an executive Director on 30 March 2023) and member of Nomination Committee (appointed on 30 March 2023) (overall strategic planning and business direction)
Mr. Han Jiong	Independent non-executive Director and member of the Audit Committee, chairman of Remuneration Committee and Nomination Committee, responsible for supervising and providing independent judgment to the Board
Mr. Qian Shi Zheng	Independent non-executive Director and chairman of the Audit Committee, responsible for supervising and providing independent judgment to the Board
Dr. Lo Wing Yan William	Independent non-executive Director and member of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee, responsible for supervising and providing independent judgment to the Board

Appointment and Re-election of Directors

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service agreement or letter of appointment with the Company with specified terms, and is subject to retirement and re-election at the forthcoming annual general meeting of the Company.

Each of the executive Directors has entered into a service agreement with the Company. Mr. Yan Hao, an executive Director, has an initial fixed period of three years commencing from 31 October 2013. In October 2016 and August 2019, the Company renewed the service agreements with Mr. Yan Hao, an executive Director, for a further period of three years. In October 2022, the Company entered into a renewed service agreement with Mr. Yan Hao, an executive Director, for a further fixed period of three years commencing from 31 October 2022 unless terminated earlier.

On 15 March 2018, the Company entered into a service agreement with Mr. Xu Hai Feng, an executive Director, for a fixed period of three years commencing from 15 March 2018. In March 2021, the Company has renewed the service agreement with Mr. Xu Hai Feng, an executive Director, for a further period of three years. In March 2024, the Company entered into a renewed service agreement with Mr. Xu Hai Feng, an executive Director, for a further fixed period of three years commencing from 15 March 2024 unless terminated earlier.

On 30 March 2020, the Company entered into a service agreement with Mr. Chen Chao, an executive Director, for a fixed period of three years commencing from 30 March 2020. In March 2023, the Company has renewed the service agreement with Mr. Chen Chao, an executive Director, for a further fixed period of three years commencing from 30 March 2023 unless terminated earlier.

On 30 March 2023, the Company entered into a letter of appointment with Mr. Chen Xin Ge, a non-executive Director, for a fixed term of three years initially commencing from 30 March 2023 unless terminated earlier.

Each of Mr. Han Jiong, Mr. Qian Shi Zheng and Dr. Lo Wing Yan William, the independent non-executive Directors, has entered into a letter of appointment with the Company, for an initial term of three years commencing from 31 October 2013. In October 2016 and August 2019, the Company renewed the letter of appointment with each of the independent non-executive Directors for a further period of three years, respectively. In October 2022, the Company entered into a renewed letter of appointment with each of our independent non-executive Directors for a further fixed term of three years commencing from 31 October 2022 unless terminated earlier.

Save as disclosed above, none of the Directors has entered into a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall offer himself/herself for election by shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall offer himself/herself for re-election by shareholders at the next following general meeting of the Company after appointment.

As at the date of this annual report, the Nomination Committee has assessed the independence of the independent non-executive Directors and has reviewed the proposed appointment of the Directors. In addition, the Nomination Committee has approved the retirement and re-election of three Directors of the Company, namely Mr. Yan Hao, Mr. Han Jiong and Dr. Lo Wing Yan William at the annual general meeting to be held on 18 June 2024.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, re-election and succession planning of Directors.

Mechanism to Ensure Board Independence

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his independence to the Company and the Nomination Committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms were effective in ensuring that independent views and input were provided to the Board during the year ended 31 December 2023.

Board Meetings

The Company has adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days for all regular board meetings are given to all Directors to attend the meetings and the relevant subjects would be included in the agenda for such regular meeting. For other Board and committee meetings, reasonable notice is generally given by the Company. The agenda and related board and committee papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by the Directors.

During the year ended 31 December 2023, six Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

Role	Name	Attendance/ number of meetings held	Attendance rate
Executive Director	Mr. Yan Hao	6/6	100%
Executive Director	Mr. Xu Hai Feng	6/6	100%
Executive Director	Mr. Chen Chao	6/6	100%
Non-executive Director *(re-designated as a non-executive Director on 30 March 2023)*	Mr. Chen Xin Ge	6/6	100%
Independent non-executive Director	Mr. Han Jiong	6/6	100%
Independent non-executive Director	Mr. Qian Shi Zheng	6/6	100%
Independent non-executive Director	Dr. Lo Wing Yan William	6/6	100%

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 to the Directors have been made and each of the Directors has confirmed that he has complied with the Model Code during the year ended 31 December 2023.

Delegation by the Board

The Board reserves its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The corporate governance functions (including those set out in code provision A.2.1 of the CG Code) to be performed by the Board include:

(1) to develop and review the corporate governance policies and practices and to make recommendations to the Board;

(2) to review and monitor the training and continuous professional development of the Directors and senior management;

(3) to review and monitor the policies and practices on compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and

(5) to review the compliance with the CG Code and disclosure in the corporate governance report.

The Board has carried out the abovementioned corporate governance functions during the reporting period.

Committees of the Board

Audit Committee

As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, being Mr. Qian Shi Zheng (Chairman), Dr. Lo Wing Yan William and Mr. Han Jiong. The main duties of the Audit Committee are:

(1) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions of their resignation or dismissal;

(2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policy on engaging external auditors to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(4) to monitor integrity of the Company's financial statements and annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:

(4.1) any changes in accounting policies and practices;

(4.2) major judgmental areas;

(4.3) significant adjustments resulting from audit;

(4.4) the going concern assumptions and any qualifications;

(4.5) compliance with accounting standards; and

(4.6) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(5) regarding paragraph (4) above:

(5.1) members of the Audit Committee should liaise with the Board and the Company's senior management and the Audit Committee must meet, at least twice a year, with the Company's external auditors; and

(5.2) the Audit Committee should consider any significant or unusual items that are or may need to be, reflected in the report and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(6) to review the Company's financial controlling, risk management and internal control systems;

(7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to establish and maintain effective risk management and internal control systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(8) to consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and management's response to these findings;

(9) to ensure coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(10) to review the Group's financial and accounting policies and practices;

(11) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;

(12) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

(13) to report to the Board on the matters included under the heading "Audit Committee" in Appendix 14 to the Listing Rules (currently known as Appendix C1 to the Listing Rules after revision);

(14) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(15) to act as the key representative body for overseeing the Company's relations with the external auditors;

(16) the Company shall establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Company about possible improprieties in any matter related to the Company;

(17) to supervise and monitor the legal sanctions risks faced by the Company and the effectiveness of implementing relevant internal monitoring policies and procedures adopted by the Company;

(18) to review the risk assessment reports that need to be reviewed by the Board, and to make recommendation to the Board on improvement of the Company's risk management;

(19) to evaluate and provide opinions on the risks involved in major decisions that require review by the Board and the solutions to major risks; and

(20) to consider other matters as referred to the Audit Committee by the Board.

In view of the certain overlap between the objectives and functions of the Risk Management Committee and the Audit Committee, in order to improve the efficiency of the Board, after being discussed and resolved by the Board on 30 August 2023, its' functions were merged into the Audit Committee, and the Audit Committee will assume full authority.

As at the date of this annual report, the Audit Committee has reviewed the audit plan, audit scope and major audit issues of the external auditor for the year ended 31 December 2023. In addition, the Audit Committee has held 4 meeting during the reporting period to discuss and review the matters including the annual results and annual report of the Group for the year ended 31 December 2021, the interim results and interim report of the Group for the six months ended 30 June 2022, the annual results and annual report of the Group for the year ended 31 December 2022, the interim results and interim report of the Group for the six months ended 30 June 2023, and held a meeting on 28 March 2024 to discuss and review the annual results and annual report of the Group for the year ended 31 December 2023, and also reviewed the auditors' remuneration and made recommendation to the Board on the re-appointment of auditors, which is subject to approval by the shareholders at the annual general meeting.

In addition, the Audite Committee has completed (i) an annual review of the risk management and internal control systems of the Group for the year ended 31 December 2023, including amongst others, sufficiency of resources, qualification and experience of staff, and their training plans and budgets; and (ii) a review of the effectiveness of the internal audit function.

During the year ended 31 December 2023, four meetings were held by the Audit Committee and the attendance of each respective member at the meeting of the Audit Committee held in 2023 is set out in the following table:

Name	Attendance/ number of meetings held
Mr. Qian Shi Zheng	4/4
Dr. Lo Wing Yan William	4/4
Mr. Han Jiong	4/4

Remuneration Committee

As at the date of this annual report, the Remuneration Committee comprises three members, being independent non-executive Directors, Mr. Han Jiong (Chairman) and Dr. Lo Wing Yan William and an executive Director, Mr. Yan Hao (appointed on 30 March 2023), while Mr. Chen Xin Ge ceased to be a member of the Remuneration Committee upon his re-designation as a non-executive Director from an executive Director on 30 March 2023. A majority of the members of the Remuneration Committee are independent non-executive Directors. The main duties of the Remuneration Committee are:

(1) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(2) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(3) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(4) to make recommendations to the Board on the remuneration of the non-executive Directors;

(5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(6) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(7) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(8) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;

(9) to consult with the Company's chairman and/or the president/managing director/chief executive officer about their remuneration proposals for other executive Directors;

(10) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and

(11) to consider all other matters as referred to the Remuneration Committee by the Board.

The Remuneration Committee has adopted the model of remuneration committee described in code provision E.1.2(c)(ii) of the CG Code.

As at the date of this annual report, the Remuneration Committee has reviewed the performance appraisals of the Directors and senior management of the Company in 2023, and at the same time, made recommendations on performance appraisal standards in 2024. In addition, the Remuneration Committee has reviewed the Group's current remuneration policies for the Directors and the implementation of employment contracts.

For the year ended 31 December 2023, the remuneration payable to Ms. Jiang Bing Xian, a senior management staff of the Company, as the company secretary, is within the range of HKD1,000,000.

During the year ended 31 December 2023, one meeting was held by the Remuneration Committee and the attendance of each respective member at the meeting of the Remuneration Committee held in 2023 is set out in the following table:

Name	Attendance/ number of meetings held
Mr. Han Jiong	1/1
Dr. Lo Wing Yan William	1/1
Mr. Yan Hao *(appointed on 30 March 2023)*	N/A
Mr. Chen Xin Ge *(ceased to serve on 30 March 2023)*	1/1

Nomination Committee

As at the date of this annual report, the Nomination Committee comprises three members, being independent non-executive Directors, Mr. Han Jiong (Chairman, re-designated as the chairman from a member of the Nomination Committee on 30 March 2023) and Dr. Lo Wing Yan William and a non-executive Director, Mr. Chen Xin Ge (appointed upon his re-designation as a non-executive Director from an executive Director on 30 March 2023), while an executive Director, Mr. Yan Hao ceased to serve as the chairman of the Nomination Committee on 30 March 2023. A majority of the members of the Nomination Committee are independent non-executive Directors. The main duties of the Nomination Committee are:

(1) to review the structure, size and composition (including cultural and educational background, professional experience, skills, knowledge, independence, gender and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(3) to assess the independence of independent non-executive Directors; and

(4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

The main policy and procedures for nomination of Directors are:

(1) the nomination of new Directors shall be first deliberated by the Nomination Committee and then considered and approved by the Board;

(2) when nominating a Director, the Nomination Committee shall assess whether the nominee has the integrity, skills, experience and diverse perspectives required by the business of the Company, and can devote time and energy to fulfilling the duties and responsibilities;

(3) when nominating a Director, the Nomination Committee shall take into account of the contributions the nominee can bring to the Board in terms of culture and education background, professional experience, skills, knowledge, independence, gender and length of service diversity; and

(4) the responsibility of the selection and appointment of Directors shall be taken by all Directors.

On 30 March 2023, due to his onerous business commitments, Mr. Chen Xin Ge resigned as an executive Director and the co-chairman. On 30 March 2023, the Nomination Committee discussed Mr. Chen Xin Ge's resignation as the co-chairman and re-designation as a non-executive Director from an executive Director. Mr. Chen is one of the founders of the Company and has an in-depth knowledge and extensive experience in the real estate industry as well as the Group's operations and management. The Nomination Committee believes that Mr. Chen will continue to support the future development of the Group with the new identity as a non-executive Director. Meanwhile, it was proposed that Mr. Yan Hao, an executive Director, shall be re-designated as the chairman of the Board from the co-chairman and appointed as a member of the Remuneration Committee and cease to serve as the chairman of the Nomination Committee; Mr. Chen Xin Ge shall be appointed as a member of the Nomination Committee upon his re-designation as a non-executive Director, and cease to serve as a member of the Remuneration Committee; Mr. Han Jiong, an independent non-executive Director, shall be re-designated as the chairman of the Nomination Committee from a member of the Nomination Committee. The abovementioned proposed adjustments of the Board and the committees thereunder were approved upon discussion by the Board on 30 March 2023.

As at the date of this annual report, the Nomination Committee has assessed the independence of the independent non-executive Directors, reviewed the proposed appointment of the Directors during the Year and conducted preliminary discussions on the Company's future plans for appointment of Directors in accordance with the new requirements of the Listing Rules and the CG Code on the term of office of independent non-executive Directors and the appointment of Directors. In addition, the Nomination Committee has approved the retirement and re-election of three Directors, namely Mr. Yan Hao, Mr. Han Jiong and Dr. Lo Wing Yan William at the annual general meeting to be held on 18 June 2024.

During the year ended 31 December 2023, one meeting was held by the Nomination Committee and the attendance of each respective member at the meeting of the Nomination Committee held in 2023 is set out in the following table:

Name	Attendance/ number of meetings held
Mr. Han Jiong	1/1
Dr. Lo Wing Yan William	1/1
Mr. Chen Xin Ge *(appointed on 30 March 2023)*	N/A
Mr. Yan Hao *(ceased to serve on 30 March 2023)*	1/1

Risk Management Committee (merged into the Audit Committee on 30 August 2023)

The Risk Management Committee was established on 23 October 2015. It comprises three independent non-executive Directors, being Mr. Qian Shi Zheng (Chairman), Dr. Lo Wing Yan William and Mr. Han Jiong. The main duties of the Risk Management Committee are:

(1) to review the risk management and internal control policy and standard of the Company, as well as the fundamental concepts and scope of compliance management;

(2) to review and make recommendation to the Board on the overall target and basic policy of the compliance and risk management;

(3) to supervise, monitor and make recommendation to the Board on the establishment of risk and compliance management system of the Company and its development;

(4) to supervise and monitor the Company's exposure to sanctions law and implementation of the related internal control policies and procedures adopted by the Company;

(5) to review the compliance reports and risk assessment reports that need to be reviewed by the Board, and to make recommendation to the Board on improvement of the Company's compliance and risk management;

(6) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;

(7) to monitor the effective implementation of the risk and compliance management by the management of the Company, and to evaluate the performance of the senior management of the Company responsible for risk and compliance management;

(8) to evaluate and advise on the risks involved in major decisions that need to be reviewed by the Board and solutions to the major risks; and

(9) to review and evaluate the effectiveness of the risk management and internal control policies and procedures with respect to sanctions law matters from time to time.

In view of the certain overlap between the objectives and functions of the Risk Management Committee and the Audit Committee, in order to improve the efficiency of the Board, after being discussed and resolved by the Board on 30 August 2023, the functions of the Risk Management Committee were merged into the Audit Committee, and there are no pending matters in the Risk Management Committee and the Audit Committee will assume full authority. After the merging of the Risk Management Committee into the Audit Committee, Mr. Qian Shi Zheng will cease to serve as the Chairman of the Risk Management Committee, and Mr. Han Jiong and Dr. Lo Wing Yan William will cease to serve as members of the Risk Management Committee.

As at 30 August 2023, the Risk Management Committee has completed (i) an annual review of the risk management and internal control systems of the Group for the year ended 31 December 2022, including amongst others, sufficiency of resources, qualification and experiences of staff, and their training plans and budgets; and (ii) a review of the effectiveness of the internal audit function.

As at 30 August 2023, one meeting was held by the Risk Management Committee and the attendance of each respective member at the meeting of the Risk Management Committee held in 2023 is set out in the following table:

Name	Attendance/ number of meetings held
Mr. Qian Shi Zheng *(ceased to serve on 30 August 2023)*	1/1
Mr. Han Jiong *(ceased to serve on 30 August 2023)*	1/1
Dr. Lo Wing Yan William *(ceased to serve on 30 August 2023)*	1/1

(B) Financial Reporting, Risk Management and Internal Control

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements for the year ended 31 December 2023 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, financial position and prospects.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

Risk Management and Internal Control

The Risk Management Committee was established by the Board on 23 October 2015, with its functions merged into the Audit Committee on 30 August 2023. The Board, through the Risk Management Committee/Audit Committee, has conducted an annual review of the effectiveness of the risk management and internal control systems of the Group including the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting function, and their training programs and budget.

The Board takes full responsibilities for maintaining sound and effective risk management and internal controls to safeguard the Company's assets and shareholders' interests. The Directors confirm that the Company, through the Risk Management Committee/Audit Committee, conducts regular review at least annually on office procedures, practices and systems to prevent assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. The regular reviews also cover all major controls, including financial, operational and compliance supervision and risk management functions of the Company.

In addition to the Risk Management Committee/Audit Committee, the Company has an internal audit function. The risk management and internal control systems of the Group are designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor and the Risk Management Committee/Audit Committee review and evaluate the control process, monitor any risk factors on a regular basis, and reports to the Board on any findings and measures to address the variances and identified risks. However, the mechanism under the risk management and internal control systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company has established sound risk management and internal control systems, and formulated internal guidance covering a full range of businesses including investment, operation, marketing, finance and human resources management, with a complete organizational structure and clear responsibilities and authorizations.

The day-to-day operation of various departments is conducted in accordance with the abovementioned internal guidance with cross checks and balances between different departments. In addition, the status of risk management and internal control is further supervised by the departments at a higher level through daily inspection, process assessment and special guidance, and by the independent internal audit department through the review of amendments to internal control procedures, special audit and risk interview, which facilitates the Company to be aware of, identify, assess and manage risks on a timely basis, and to take effective measures to control and mitigate risks.

The Risk Management Committee/Audit Committee also conducts regular review and assessment of inside information, discusses with the management or authorized persons of the Company about disclosure of inside information, and reports to the Board once it has identified any dissemination of such information. Inside information disclosure policies are formulated to provide employees with guidelines on report and disseminating inside information, confidentiality and compliance with restrictions on trading.

Procedures to Identify, Evaluate and Manage Significant Risks

(1) Establishment of the risk context: evaluating and reviewing the effectiveness of the risk management and internal control systems of the Group to reduce the costs of operational risk and ensure compliant operation of the Company.

(2) Formulation of the risk management policies: ensuring that the Group carries out consistent procedures and criteria for risk identification, measurement and reporting.

(3) Identification of the risks: identifying any potential risks of various business segments and key procedures.

(4) Evaluation on the risks: evaluating and rating the impact on business and its likelihood of the risks identified.

(5) Handling of the risks: evaluating the risk management solutions and the effectiveness of risk management.

(6) Report and monitor: monitoring and reviewing the policies and evaluating procedures for risk management, and the measures for managing and effectiveness of controlling significant risks, and report the findings to the Board.

Summary of Major Risk Management and Internal Control Initiatives during the Year

(1) The nature of and changes in key risk items identified during the year ended 31 December 2022 were reviewed and the likelihood of such risks and their impact on business were re-evaluated.

(2) Potential risks of those key business initiatives and management procedures newly introduced in 2023 were identified and evaluated.

(3) The appropriateness and effectiveness of the measures and actions to control and reduce key risks were reviewed.

The Directors consider that the Group's existing risk management and internal control systems and the internal audit function of the Company are effective and adequate.

Anti-corruption and Whistleblowing Policy

The Group establishes an effective whistle-blowing policy for reporting suspected irregularities, fraud and corruption via specified channels for employees and the relevant third parties (i.e. customers, suppliers, creditors, debtors etc.). All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential. The Group also continues to improve its internal control and monitoring system. If any irregularities are identified, the Group takes immediate action.

The Board and the Audit Committee will regularly review the whistle-blowing policy and mechanism to improve its effectiveness.

The Company has developed its Disclosure of Inside Information Policy which provides a general guide to the Company's Directors and senior management in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented by the Company to ensure that unauthorized access and use of inside information are strictly prohibited.

The Group has in place anti-corruption mechanism which forms a part of the corporate governance framework of the Group. The anti-corruption mechanism is reviewed and updated periodically to align with the applicable laws and regulations and the best practice of the industry.

Detailed information on anti-corruption and whistle blowing policy and the performance of the Group will be disclosed in the Environmental, Social and Governance Report to be published separately.

External Auditor

The remuneration paid/payable to the Company's auditor, Elite Partners CPA Limited, in connection with the interim review and the annual audit of the Group's consolidated financial statements for the Year, amounted to a total of approximately RMB2,300,000. In addition to this, Elite Partners CPA Limited did not provide any other non-audit services to the Group.

(C) Company Secretary and Shareholders' Rights

Company Secretary

Ms. Jiang Bing Xian ("**Ms. Jiang**") is the company secretary of the Company, and is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and applicable laws, rules and regulations are followed.

Ms. Jiang has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules for the year ended 31 December 2023.

Shareholders' Rights

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting. The annual general meeting for the year ended 31 December 2023 will be held on 18 June 2024.

Convening of extraordinary general meeting and putting forward proposals

Pursuant to Article 66 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary to require an extraordinary general meeting to be called by the Board, with the transaction of any business specified in such requisition. The written requisition can be lodged at the Company's principal place of business in Hong Kong for the attention of the company secretary of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the principal place of business for the Company in Hong Kong at Room 1218, 12/F, China Resources Building, 26 Harbour Road, Hong Kong.

(D) Investor Relations and Communication with Shareholders

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website (www.jingruis.com), where up-to-date information on the Company's business operations and development, financial information, corporate governance practices and other information are available for public access.

The general meetings are valuable forums for direct communications between the Board and shareholders. The Directors and members of each Board Committees will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group. The Company maintains relevant and uniform disclosure of information to investors to ensure that they are kept informed of the business development, operational strategies and industry related updates of the Group on a regular or ad hoc basis; meanwhile, the Company adopts various channels and means to actively develop investor relations to ensure effective two-way communication and a strong connection with investors. Investors can make enquiries to the Company through the following channels:

Corporate Governance Report

Address: Room 1218, 12/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong;
Telephone: 852-23276858;
Email: ir@jingruis.com;
Company's website: www.jingruis.com.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy of the Company and confirmed that the Company had disclosed all necessary information to the shareholders in compliance with Listing Rules and included communication channels for shareholders to express their opinions on various matters affecting the Company, and that the Company had taken appropriated and sufficient measures to solicit and understand the opinions from shareholders and stakeholders. The Company is of the view that the current shareholders' communication policy is effectively implemented via the aforesaid channels and means.

During the year ended 31 December 2023, an annual general meeting was held by the Company on 27 June 2023 and the attendance of the individual Directors at this general meeting is set out in the table below:

Name	Attendance/ number of meetings held
Mr. Yan Hao	1/1
Mr. Xu Hai Feng	1/1
Mr. Chen Chao	1/1
Mr. Chen Xin Ge	1/1
Mr. Han Jiong	1/1
Mr. Qian Shi Zheng	0/1
Dr. Lo Wing Yan William	0/1

In accordance with code provision F.2.2 of the CG Code, Mr. Yan Hao, Mr. Xu Hai Feng, Mr. Chen Chao, Mr. Chen Xin Ge and Mr. Han Jiong have attended the annual general meeting either in person or online. Mr Qian Shi Zheng and Dr Lo Wing Yan William did not attend the annual general meeting due to other business arrangements.

Dividend Policy

The Company established its dividend policy in October 2013. The Articles provides that dividends may be declared and paid out of profit of the Company, realized or unrealized, or from any reserve set aside from profits in our Directors' discretion. With the sanction of an ordinary resolution, dividends may also be declared and paid out of our share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act, Cap. 22 of the Cayman Islands (the "**Companies Act**") and the Articles.

The Directors will declare dividends, if any, in Hong Kong dollars with respect to shares on a per share basis and will pay such dividends in Hong Kong dollars. Any final dividend for a fiscal year will be subject to our shareholders' approval. The amount of dividend actually distributed to the shareholders of the Company will depend upon earnings and financial condition, operating requirements, capital requirements of the Company and any other conditions that our Directors may deem relevant.

The Directors currently intend to distribute to our shareholders no less than 20% of any net distributable profits from our PRC operating entities derived during the relevant period, excluding net fair value gains or losses on investment properties, for each fiscal year. However, the Company will re-evaluate our dividend policy annually and there is no assurance that dividends of any amount will be declared or distributed in any given year. At the same time, the declaration and/or payment of dividends may be limited by legal restrictions and/or by contracts or agreements that the Company may enter into in the future.

Information Disclosure

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

Constitutional Documents

On 30 March 2022, the Board discussed and proposed that certain amendments (the "**Proposed Amendments**") be made to the existing memorandum and articles of association (the "**Existing Articles**") to, among other things, bring the Existing Articles in line with the core shareholder protection standards set out in Appendix 3 of the Listing Rules. Further, amendments are proposed to be made to the Existing Articles to reflect certain updates in relation to the applicable laws of the Cayman Islands and the Listing Rules and other house-keeping amendments that are in line with the Proposed Amendments.

Accordingly, the Board proposes to adopt amended and restated memorandum and articles of association (the "**New Articles**") in substitution for, and to the exclusion of, the Existing Articles.

The proposed adoption of the New Articles was approved by way of a special resolution at the annual general meeting held on 27 June 2023 and the New Articles came into effect on the same day and replaced the Exisitng Articles. For details, please refer to the announcement dated 24 April 2023, the circular dated 27 April 2023 and the poll results announcement of the annual general meeting dated 27 June 2023 published by the Company on the websites of the Stock Exchange and the Company, respectively.

Save as disclosed above, no changes has been made to the Company's constitutional document during the reporting period.

Report of the Directors

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2023.

Global Offering

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 7 March 2013. The shares of the Company were listed on the Stock Exchange on 31 October 2013.

Principal Activities

The Company is an investment holding company, and the principal activities of its subsidiaries are development of and investment in real estate projects as well as management of properties. Details of the principal subsidiaries of the Company are set out in Note 40 to the consolidated financial statements.

An analysis of revenue of the Group for the year ended 31 December 2023 by principal activities is set out in Note 5 to the consolidated financial statements.

Business Review

Environmental Policies and Performance

The Group is subject to a number of environmental laws and regulations in the PRC concerning overall environmental protection, impact to the environment, noise pollution and environmental protection for construction projects.

We place high emphasis on complying with relevant environmental laws and regulations. We require our staff and construction contractors to comply with the PRC laws and regulations relating to the quality of construction including environmental, labour, social and safety regulations, as well as our own standards and specifications.

We believe that during the Year we have been in compliance in all material respects with applicable laws and regulations in the PRC.

Detailed information on environmental policies and performance of the Group will be disclosed in the Environmental, Social and Governance Report to be published separately.

Relationships with Employees, Customers and Suppliers

During the Year, the Group ensured that its employees were offered competitive remuneration packages, as well as benefits such as social insurance, housing fund and physical examination, so as to maintain its competitiveness. As such, the Group has maintained good relationships with its employees with low outflow of key talents.

The Group focused on taking customers' views and positioned the establishment of our transformation towards a "customized lifestyle service provider". We will strive to become a customized lifestyle service provider with remarkable regional influence, gaining respect from our customers and even suppliers.

During the Year, the Group's procurement from its five largest suppliers accounted for 42.6% (2022: 30.8%) of its procurement while the Group's sales to its five largest customers accounted for 1.4% (2022: 2.9%) of its sales.

The Group maintains a high standard in selecting reputable and reliable suppliers and contractor, in order to meet our own quality, safety, environmental and product criteria. During the year ended 31 December 2023 and up to the date of this annual report, the Group has maintained good relationships with its suppliers and contractors.

The sustainable development of the Group depends on the supports and efforts of all parties concerned including our customers, suppliers and contractors, particularly the efforts and contributions of all our staff.

Compliance with Related Laws and Regulations

The Company was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange. The subsidiaries of the Group were incorporated in British Virgin Islands, Hong Kong and the PRC. The operations of the Group were mainly engaged by its subsidiaries incorporated in the PRC. The Group has an administrative place of business in Hong Kong.

Our business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the year ended 31 December 2023 and up to the date of this annual report, we have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

Business Review and Prospect

Review on the business of the Group during the Year and the description of its future business development are set out under the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

Financial Results

The key financial indicators set out on page 5 of this annual report under sub-section headed "Key Financial Indicators" were adopted to analyze the Group's performance during the Year. The financial risk management objectives and policy of the Group are set out in Note 3 to the consolidated financial statements.

Risks and Uncertainties

The financial conditions and operating results of the Group may be subject to various potential risks and uncertainties. Other than the risks disclosed below, the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report also set out certain other risks to which the Group may be exposed.

Policy Risk

The real estate industry, as an important pillar of the overall national economic development, is relatively susceptible to macroeconomic and industrial policies as a whole.

In 2023, the real estate market in China continued to make adjustment of the fundamentals. The central government's policy efforts have a strong start and turn loose. With the July Political Bureau of CPC Central Committee meeting setting the tone of "major changes in the demand-supply relation ship of the industry" as the watershed, the policy efforts gradually shifted to "both stabilizing and boosting". 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.

In 2023, the real estate policy at the central level started weak and ended strong. In the first half of the year, there was no substantially potent stimulus as the policies were mostly focused on the optimization and adjustment of the prevailing system or aimed at regulating market order. The policy efforts were primarily "stabilizing rather than boosting". Nevertheless, in the second half of the year, 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 were gradually shifted to "both stabilizing and boosting". On the demand end, policies such as reduction of down payment, decrease in interest rate, recognition homes but not recognizing loans, and deferred replacement of tax refund have been implemented one after another. On the supply end, relief measures such as the renewal of the "16-point playbook for finance officials", "three no-lowers" and a "whitelist of property companies" have been put forward one after another. Banks such as the Industrial and Commercial Bank of China, the Agricultural Bank of China, Bank of China, Bank of Construction and the Bank of Communications have held seminars for real estate enterprises to understand their financing demand and declared they would increase their effort in supporting the financing of the real estate enterprises. According to the information of the People's Bank of China, major banks such as the Industrial and Commercial Bank of China, the Agricultural Bank of China, Bank of China, Bank of Construction and the Bank of Communications have lent more than RMB30 billion of real estate development loans to non-state-owned real estate enterprises since November 2023.

Report of the Directors

In 2023, the central government mentioned the "three major projects" for the first time, making significant deployment on three aspects, namely the planning and construction of affordable housing projects, makeovers of urban villages and the construction of recreational facilities that can be easily converted into emergency structures. The "three major projects" were both highlighted at both the April and July Political Bureau of CPC Central Committee meetings in 2023. In July 2023, the State Council issued a document to promote the makeovers of urban villages, which is mainly aimed at the 22 super-large cities and mega-cities with an urban population of more than 5 million people. In August 2023, the executive meeting of the State Council considered and passed the Guiding Opinions on the Planning and Construction of Affordable Housing, which is committed to construct a new housing supply layout of "affordable housing for immediate needs and commercial housing for improvement" with the working class as the specified target group of affordable housing and meager profit as the pricing principle for the allocation of housing units, and strictly closed-off management will be implemented. From October to November 2023, leaders from the Ministry of Housing and Urban-Rural Development of China led a team to Shanghai, Nanchang, Xiamen, Chengdu and other cities to carry out special research on the "three major projects". In December 2023, China Development Bank issued the first allotment-type affordable housing development loan in China.

Looking ahead to 2024, the real estate policy at the central level is expected to take a three-pronged approach: firstly, to provide financial support for the construction of the "three major projects", which will subsequently become the starting point to promote the construction of the new model of real estate development; secondly, to implement the "three no-lowers" and other financial support to the supply end; and thirdly, to reduce the tax for housing transactions, which would stabilize the demand and thus stabilize the market.

Moreover, the real estate industry is frequently susceptible to recurring volatility, which, in turn, will result in uncertainties as to the direction of future policies. If the Company is unable to proactively keep abreast of changes in regulatory policies and continue to improve its risk controls, business management standards and develop its reasonable business strategies, the operations and results of the Company may be adversely affected.

Business Risk

Property project development comprises multiple phases which include site selection, land acquisition, planning, design, construction, sales and after-sales service. Project development typically requires long turnover periods, significant financial investments and interaction with numerous parties. It is also subject to approval and supervision by a number of government authorities, such as authorities for the administration of land and resources, housing and urban-rural development, fire prevention and environmental protection, and will also be affected by factors such as market conditions.

In recent years, the government has announced policies containing more stringent approval requirements for land transactions, housing layout planning, and application for construction permits and sales permits. This may result in longer turnover periods for the Company's property development and sales, and increase our development costs and development risks.

At present, the transfer of land sites for development and construction in the PRC is conducted through the "tender, auction and listing" system of transfer in the public market. Property development companies face intense competition in land acquisition. If the Company is unable to acquire land sites required for project development in a timely manner and maintain a dynamic land bank required for ongoing development, the Company's development will be restrained and the continuous growth in the Company's revenue and operating results will be affected as a result.

On the other hand, Jingrui also has a certain scale of projects for holding. The operating and profit model of projects for holding is substantially different from the property development projects, and the external environment is more complicated. In the event that the Company fails to identify the operating characteristics of the projects for holding and is unable to make adjustments in time to cope with changes in the market situation, the contribution of the projects for holding to the Company's revenue growth will be subject to limitations.

Significant Subsequent Events

Details of significant subsequent events of the Group are set out in Note 42 to the consolidated financial statements.

Results

Details of the Group's results for the year ended 31 December 2023 are set out in the consolidated income statement on page 75 of this annual report.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2023 are set out in Note 40 to the consolidated financial statements.

Final Dividend

At the Board meeting held on 28 March 2024, the Board has resolved not to recommend the distribution of final dividend for the year ended 31 December 2023 (2022: Nil).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

Financial Summary/Financial Review

Financial summary of results, assets and liabilities and financial review of the Group for the past five financial years are set out on page 198 of this annual report. The summary does not constitute a part of the audited consolidated financial statements.

Major Customers and Suppliers

For the year ended 31 December 2023, the Group's procurement from its five largest suppliers accounted for 42.6% (2022: 30.8%) of the Group's total procurement, while the procurement from the largest supplier accounted for 15.7% (2022: 9.1%). For the year ended 31 December 2023, the Group's sales to its five largest customers accounted for 1.4% (2022: 2.9%) of the Group's total sales.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2023 are set out in Note 6 to the consolidated financial statements.

Investment Properties

Details of movements in the investment properties of the Company and the Group during the year ended 31 December 2023 are set out in Note 7 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the Year are set out in Note 17 to the consolidated financial statements.

Share Issuance

For the year ended 31 December 2023, the Company did not issue any shares or any securities convertible into shares in exchange for cash.

Reserves

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 77 of this annual report and in Note 18 to the consolidated financial statements respectively.

In addition, details of movements in the reserves of the Company during the Year are set out in Note 41(a) to the consolidated financial statements.

Distributable Reserves

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act, amounted to approximately RMB1,626.9 million.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2023 are set out in Note 19 to the consolidated financial statements.

Directors

The Directors during the year ended 31 December 2023 and up to the date of this annual report were:

Executive Directors:

Mr. Yan Hao
Mr. Xu Hai Feng
Mr. Chen Chao

Non-executive Director:

Mr. Chen Xin Ge *(re-designated as a non-executive Director from an executive Director on 30 March 2023)*

Independent Non-executive Directors:

Mr. Han Jiong
Mr. Qian Shi Zheng
Dr. Lo Wing Yan William

Board of Directors and Senior Management

Biographies of the Directors and senior management of the Company are set out on pages 29 to 31 of this annual report.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers these Directors to be independent for the year ended 31 December 2023.

Directors' Service Agreements and Letter of Appointments

Mr. Yan Hao, an executive Director, has entered into a service agreement with the Company on 6 October 2013 for an initial term of three years commencing from 31 October 2013 unless terminated earlier. Each of the independent non-executive Directors has signed a letter of appointment with the Company on 6 October 2013 for an initial term of three years commencing from 31 October 2013 unless terminated earlier.

In October 2016, August 2019 and October 2022, the Company has renewed the service agreements with Mr. Yan Hao, an executive Director, and renewed the letters of appointment with each of the independent non-executive Directors for a further term of three years commencing from 31 October 2016, 31 October 2019 and 31 October 2022 unless terminated earlier.

On 15 March 2018, the Company entered into a service agreement with Mr. Xu Hai Feng, an executive Director, for a fixed period of three years commencing from 15 March 2018. In March 2021 and March 2024, the Company has renewed the service agreement with Mr. Xu Hai Feng, an executive Director, for a further term of three years commencing from 15 March 2021 and 15 March 2024 unless terminated earlier.

On 30 March 2020, the Company entered into a service agreement with Mr. Chen Chao, an executive Director, for a fixed period of three years commencing from 30 March 2020. In March 2023, the Company has renewed the service agreement with Mr. Chen Chao for a further term of three years commencing from 30 March 2023 unless terminated earlier.

Mr. Chen Xin Ge, a non-executive Director, has signed a letter of appointment with the Company on 30 March 2023 for an initial term of three years commencing from 30 March 2023 unless terminated earlier.

Directors' Remuneration

The Directors' remuneration is determined by reference to each Director's duties and responsibilities, individual performance and the results of the Group.

Details of the remuneration of the Directors and five highest paid individuals of the Group for the year ended 31 December 2023 are set out in Note 29 to the consolidated financial statements. For the year ended 31 December 2023, there was no agreement under which a Director waived or agreed to waive any emoluments.

Directors' Rights to Acquire Shares or Debentures

At no time during the year ended 31 December 2023 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or minor children to acquire benefits by means of the acquisitions of shares in the Company or in any other body corporate.

Director's Interests in Competing Business

As at 31 December 2023, none of the Directors had any interest in business which competes or may compete directly or indirectly with the business of the Group.

Compliance with Non-Competition Undertaking

Each of Mr. Yan Hao, Mr. Chen Xin Ge, Beyond Wisdom Limited and Sunny King International Limited (the "**Covenantors**") has entered into a deed of non-competition (the "**Deed of Non-Competition**") with and in favor of the Company on 15 October 2013 and 27 December 2018, respectively, pursuant to which the Covenantors have unconditionally, irrevocably, jointly and severally undertaken with the Group that they shall not (except through the Group), and shall procure that all their respective associates (excluding any member of the Group), shall not directly or indirectly, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, any business which is in any respect in competition with or similar to or is likely to be in competition with the business of the Group (the "**Restricted Business**").

The independent non-executive Directors have reviewed the compliance with the non-competition undertaking by the Covenantors under the Deed of Non-Competition and are of the view that such non-competition undertaking has been complied with during the year ended 31 December 2023. Each of the Covenantors has provided to the Company a written confirmation in respect of his/its compliance with the Deed of Non-Competition.

Directors' and Controlling Shareholders' Interests in Transactions, Arrangement and Contracts

Save as disclosed in this annual report, no transaction, arrangement and contract of significance to which the Company or any of its subsidiaries was a party and in which a Director and/or any of its connected entity had a material interest, whether directly or indirectly, subsisted as at 31 December 2023 or at any time during the Year. The Company did not provide any loans to the Directors or the management personnel of the Company during the Year; in addition, no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and the Company's controlling shareholders or any of their respective subsidiaries, subsisted as at 31 December 2023 or at any time during the Year.

Employees and Remuneration Policies

For details regarding the employees and remuneration policies of the Group during the Year, please refer to the sections headed "Directors' Remuneration" on page 55 and "Employees and Remuneration Policies" on page 21 of this annual report.

The Company has adopted the Share Award Scheme and the Share Option Scheme on 29 November 2017 (terminated on 29 November 2022) and 7 May 2019, respectively. Details of the Share Award Scheme and Share Option Scheme are set out in the sections headed "Share Award Scheme" and "Share Option Scheme" below.

Management Contract

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

Pre-emptive rights

There is no provision regarding pre-emptive rights under the Articles and the laws of the Cayman Islands.

Equity-Linked Agreements

Save for the Share Award Scheme and Share Option Scheme as disclosed in the sections headed "Share Award Scheme" and "Share Option Scheme" of this Report of the Directors, the Company has not entered into any equity-linked agreement for the year ended 31 December 2023.

Tax Concession

The Company is not aware of any tax concession or exemption available to the shareholders of the Company by reason of their respective holding of the Company's securities.

Senior Notes and Corporate Bonds

Suspension of Payment Due for USD Denominated Senior Notes

As stated in the Company's announcement dated 31 August 2022, in light of the Company's consideration of a potential holistic restructuring of all USD denominated senior notes for treating all creditors fairly, the Company has suspended the payment due for offshore USD denominated senior notes.

The non-payment of the principal and interest of such senior notes may lead to a request for acceleration of repayment. As at the date of this report, the Company has not received any notice for acceleration of repayment by holders of its USD denominated senior notes. The Company has appointed Admiralty Harbour Capital Limited as its financial adviser and Sidley Austin as its legal adviser in respect of its potential offshore restructuring. The offshore creditors of the Company can contact its financial adviser. Further details regarding the senior notes are disclosed in the announcements of the Company dated 17 June 2022, 22 July 2022, 31 August 2022, 17 February 2023, 26 October 2023 and 25 January 2024.

Details of senior notes and corporate bonds of the Group outstanding during the Year are set out in Note 19 to the consolidated financial statements.

Share Award Scheme

On 29 November 2017, the Company adopted the Share Award Scheme, which was terminated on 29 November 2022 and its details are set out below:

1. Objectives

Among other things, the purposes and objectives of the Share Award Scheme are (i) to recognise and reward the contribution of employees to the growth and development of the Group, to retain such employees to work towards the Company's continuous operation and development, and to attract talented individuals to join the Company to further promote its development; (ii) to establish a benefit sharing and restrictive mechanism to align the interests of senior management and core employees directly to the shareholders of the Company and provide a platform to enhance management cohesion through sharing of the growth of the Company; (iii) to enhance the corporate culture of joint sustainable development to promote the sustainable growth of the Company; and (iv) to effectively deploy the motivation and the creativity of the senior management and the core employees of the Company to ensure that the Company's strategic and business objectives are realized.

2. Participants

The Board may, from time to time, in its absolute discretion, select the selected person(s) after taking into various factors as they deem appropriate and determine the number of awarded shares to be awarded to each of the selected persons. The selected persons shall cover (i) newly recruited senior management of the Company, Yan Capital Management, Jingrui Properties and Co-Fortune Capital; (ii) existing senior management of certain subsidiaries of the Group at provincial/city level; and (iii) existing senior management and core employees of the Company, Yan Capital Management, Jingrui Properties and Co-Fortune Capital.

3. Maximum Limit

The Board shall not make any further award of awarded shares (excluding awarded shares that have lapsed or been cancelled in accordance with the scheme rules) which will result in the aggregate number of awarded shares awarded by the Board throughout the duration of the scheme to exceed 10% of the total number of issued shares of the Company as at the adoption date (being 129,130,221 shares). In the event of any consolidation or sub-division of the share capital of the Company, such maximum limit shall be adjusted accordingly.

4. Duration and Termination

The scheme was effective from 29 November 2017 and shall continue in full force and effect for a term of 5 years or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected person. In particular, awarded shares being granted but unvested before the termination of the scheme shall remain effective and shall continue to vest in accordance with the provisions of the scheme and/or the vesting schedule and conditions as set out in the grant letter.

The scheme was terminated on 29 November 2022, and as of 31 December 2023, all awarded shares granted have been vested.

5. Grant and Vesting of Awarded Shares

Pursuant to the scheme rules, the Board may, at its absolute discretion select any eligible participant(s) for participation in the scheme as a selected person and determine the number of shares to be awarded at nil consideration. The Remuneration Committee shall first formulate the grant plan which shall then be recommended to the Board for consideration and approval.

Upon the grant of the awarded shares, a grant letter should be provided to the selected person and such grant letter shall address, among other things, the number of awarded shares granted and the number of underlying shares represented by the awarded shares, the vesting criteria and conditions, the vesting schedule, the exercise price (where applicable) and such other terms and conditions as the Board shall determine and consider necessary and are not consistent with the scheme. A selected person may accept an offer of the grant of awarded shares in such manner as set out in the grant letter. Once accepted, the awarded shares are deemed granted from the date of the grant letter. Upon acceptance, the selected person becomes a participant in this scheme.

Selected persons shall be entitled to receive the awarded shares held by the trustee in accordance with the vesting schedule and conditions as determined by the Board in its sole discretion. Details of the vesting schedule and conditions will be provided in the grant letter to be issued by the Company to the selected persons.

6. Events Triggering Lapse or Immediate Vesting of Awarded Shares

The unvested awarded shares shall automatically lapse in the event of (i) in relation to Type 1 participant(s), any changes in the Type 1 participant's position due to his/her incapability for the position or non-qualifying appraisal and evaluation; and (ii) in relation to all type of participants, (a) the participant resigns voluntarily; (b) the participant resigns due to the staff cut undertaken by the Company or the Company is unwilling to renew the employment contract; (c) the participant becomes incapable and resigns for reasons other than any injury arising out of and in the course of his/her employment; or (d) the participant deceases not for a reason arising out of and in the course of his/her employment. If a participant violates the laws and professional ethics, leaks confidential information of the Company, or is negligent or conduct gross misconduct in performance of duties, which may result in material damage to the interests or reputation of the Company, the unvested awarded shares of such participant shall not be vested, as the Board may direct as it thinks fit.

If a general offer to acquire the shares (whether by offer, merger, or otherwise in a like manner) is made to all of the shareholders of the Company (or shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the shares is approved and the offer becomes or is declared unconditional in all respects, the awarded shares granted to the participants will be vested immediately, even if the vesting period has not yet commenced.

If there occurs any special circumstance which may affect the eligibility of the selected person or the vesting of awarded shares, the awarded shares shall be dealt with in accordance with the scheme rules. However, for those which are not currently covered therein, the Board shall, from time to time, have sole discretion to determine how such awarded shares should be handled.

7. Details of the Movement in the Awarded Shares under the Share Award Scheme during the year ended 31 December 2023

Movements in the number of awarded shares during the Year are set out below:

Name of grantee	Number of awarded shares as at 1 January 2023	Date of grant	Closing price at the date of grant (HKD per share)	Granted during the Year	Vested and exercised during the Year	Closing price immediately before the date of vesting (HKD per share)	Cancelled during the Year	Lapsed during the Year	Number of awarded shares as at 31 December 2023
Executive Director									
Mr. Chen Chao	60,386	22 April 2021(1)	2.30	–	60,386(3)	0.169	–	–	–
	1,072,000	20 April 2022(2)	1.65	–	544,000	0.050	528,000	–	–
Other senior management									
Other senior management	8,627	22 April 2021(1)	2.30	–	8,627(3)	0.169	–	–	–
Total	1,141,013			–	613,013		528,000	–	–

Notes:

(1) The awarded shares granted on 22 April 2021 shall (unless the Company shall otherwise determine and so notify the selected person in writing) be vested as to 1/2 in each of 2022 and 2023.

(2) The awarded shares granted on 20 April 2022 shall (unless the Company shall otherwise determine and so notify the selected person in writing) be vested as to 528,000 shares, 528,000 shares and 544,000 shares in each of 2022, 2023 and 2024, respectively. As determined by the Board of Directors of the Company, the 544,000 shares to be vested in 2024 were vested in September 2023 ahead of schedule.

(3) In accordance with the terms of grant as disclosed in the announcement of the Company dated 1 January 2018, the purchase price paid by the grantees was nil.

SHARE OPTION SCHEME

On 7 May 2019, the Company adopted the Share Option Scheme, details of which are set out below:

1. Objectives

The purpose of the Share Option Scheme is to recognize and acknowledge the contributions made or may have made by the eligible participants to the Group. The Share Option Scheme will provide eligible participants with an opportunity to hold personal interests in the Company, thereby stimulating eligible participants to enhance performance efficiency for the benefit of the Group and to attract and retain eligible participants or otherwise maintain a continuous business relationship with eligible participants and the contributions of such eligible participants will benefit the Group's long-term development.

2. Eligible participants

The Board may, at its discretion, grant a share option to the following persons to subscribe for the relevant number of new shares as may be determined by the Board as follows: (i) any senior executive or director of the Group (including non-executive directors and independent non-executive directors); and (ii) any senior management staff of the Group.

In accepting the relevant share options, the grantee is required to pay HKD1.00 to the Company as the consideration for the grant of the share options.

3. Maximum Limit

The maximum number of shares in the share options that may be granted under the Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the total number of issued shares on the date of adoption. If the Company has issued a circular and approved by the shareholders at the general meeting and/or complies with such other requirements as may be prescribed by the Listing Rules from time to time, the Board may: re-determine the cap at any time at 10% of the shares in issue on the date of approval of the general meeting; and/or granting more than 10% of the options to eligible participants selected by the Board. The maximum number of shares that may be issued at any time after the exercise of all the outstanding share options granted but not yet exercised under the Share Option Scheme and any other share option scheme of the Company shall not exceed 30% of the shares in issue from time to time. On 7 May 2019, the Company received a plan authorization limit of 10% of the total number of issued shares of the Company on that date, which was a total of 140,019,421 shares, representing 9.10% of the number of shares issued by the Company as at the date of this report.

As at 1 January 2023 and 31 December 2023, the maximum number of the shares available for grant under the Share Option Scheme was 110,019,421 shares and 110,019,421 shares, respectively, representing approximately 7.15% of the issued share capital of the Company as at the date of this report. As at 31 December 2023, the total number of shares available for issue under the Share Option Scheme was 115,869,421 shares, representing approximately 7.53% of the issued share capital of the Company as at the date of this report. During the year ended 31 December 2023, except for the cancellation of 1,350,000 share options, no other share options were exercised, cancelled or lapsed under the Share Option Scheme.

4. **Duration and Termination**

The scheme is effective as of 7 May 2019. The share options may be exercised at any time during the period prior to the expiration of 10 years from the date on which the options are deemed to have been granted and accepted, in accordance with the terms of the Share Option Scheme. The exercise period of the share options will be determined by the Board at its sole discretion, but not more than 10 years after the grant of the share options.

No share options may be granted after 10 years from the date of approval of the Share Option Scheme. Unless the Company terminates early through the general meeting or the Board, the Share Option Scheme will become effective and valid for a period of 10 years from the date of adoption, up to 6 May 2029.

5. **The maximum number of shares that each participant can be authorized to benefit from**

The total number of shares issued or to be issued upon the exercise of all share options (including exercised and outstanding share options) granted to each of the participants under the Share Option Scheme or any other share option scheme of the Company in any 12-month period must not exceed 1% of the total number of issued shares. If the number of share options further granted exceeds the maximum of 1%, the proposed grant of share options shall be approved by the shareholders by voting at the general meeting.

Where shares issued or to be issued upon the exercise of the entire share options which have been or will be granted to participants who are substantial shareholders, independent non-executive directors or any of their associates under the Share Option Scheme or any other share option scheme of the Company during the 12-month period up to and including the date of grant, including those exercised, cancelled and outstanding, (1) totalled more than 0.1% of the total number of issued shares; and (2) have a total value in excess of HKD5,000,000 calculated based on the closing price of the shares on the date of each grant, the proposed grant of share options must be approved by the shareholders at the general meeting by way of poll.

6. **Share subscription price**

The subscription price of the shares of any particular share options granted under the Share Option Scheme shall be the price determined by the Board at its sole discretion, provided that the price is not lower than the following highest:

(i) The official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant (which is the date on which the Stock Exchange is opened for securities trading business);

(ii) The average of the official closing prices of the shares stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant; and

(iii) The nominal value of a share.

7. Details of the Movement in the Share Options under the Share Option Scheme during the year ended 31 December 2023

Movements in the number of share options during the Year are set out below:

Name of grantee	Date of grant	Exercise period	Closing price at the date of grant (HKD per share)	Exercise price (HKD per share)	Number of share options as at 1 January 2023	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	Number of share options as at 31 December 2023
Executive Directors										
Mr. Xu Hai Feng	9 September 2019 [1]	From 9 September 2019 to 8 September 2029	2.53	2.53	1,350,000	–	–	–	–	1,350,000
Other senior management										
Other senior management	9 September 2019 [1]	From 9 September 2019 to 8 September 2029	2.53	2.53	4,050,000	–	–	1,350,000	–	2,700,000
	8 June 2021 [2]	From 8 June 2021 to 7 June 2031	2.24	2.53	450,000	–	–	–	–	450,000
Total					5,850,000	–	–	1,350,000	–	4,500,000

Notes:

(1) Share options granted by the Company on 9 September 2019 will be vested by batches from 2019 to 2022. The vesting of the share options is conditional upon the achievement of certain performance targets related to the Group including but not limited to contracted sales of the Group and net profits attributable to equity holders per financial year during the period from 2019 to 2021.

(2) The vesting of the share options granted by the Company on 8 June 2021 is conditional upon the achievement of certain performance targets related to the Group including but not limited to contracted sales of the Group and net profits attributable to equity holders per financial year during the period from 2020 to 2021.

Charitable Donations

No charitable or other donations were made by the Group for the year ended 31 December 2023.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2023, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which will be required to be notified to the Company and the Stock Exchange pursuant to which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in relevant provision, or which will be required, pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, are as follows:

Name of Director	Nature of interest	Number of shares held [(4)]	Approximate percentage of shareholding interest [(5)]
Mr. Yan Hao	Founder of a discretionary trust [(1)]	649,276,613 (L)	42.20%
	Beneficial owner	200,000 (L)	0.01%
Mr. Chen Xin Ge	Founder of a discretionary trust [(2)]	409,805,918 (L)	26.63%
	Beneficial owner	782,000 (L)	0.05%
Mr. Xu Hai Feng	Beneficial owner [(3)]	2,014,738 (L)	0.13%
Mr. Chen Chao	Beneficial owner	1,574,772 (L)	0.10%

Notes:

(1) Yan Trust, as a trustee, is deemed to be interested in 649,276,613 shares through its control over Beyond Wisdom Limited. The details are as follows:

Name of controlled corporation	Name of controlling shareholder	Percentage of shareholding (%)	Interest held directly	Number of shares
Beyond Wisdom Limited	Yan Trust	100	Y	649,276,613 (L)

(2) Cantrust (Far East) Limited, as a trustee, is deemed to be interested in 409,805,918 shares through its control over New Decent King Investment Limited and Sunny King International Limited. The details are as follows:

Name of controlled corporation	Name of controlling shareholder	Percentage of shareholding (%)	Interest held directly	Number of shares
New Decent King Investment Limited	Cantrust (Far East) Limited	100	N	409,805,918 (L)
Sunny King International Limited	New Decent King Investment Limited	100	Y	409,805,918 (L)

(3) Mr. Xu Hai Feng is interested in 1,350,000 share options of the Company. Details of the share options were disclosed in the section headed "Share Option Scheme".

(4) (L) represents long positions in these securities.

(5) There were 1,538,813,213 shares in issue as at 31 December 2023.

Save as disclosed above and to the best knowledge of the Directors, as at 31 December 2023, none of the Directors or the chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be entered in the register referred to in relevant provision under the Section 352 of the SFO, or which will be required to be notified to the Company and the Stock Exchange under the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2023, so far as the Directors were aware, the following persons (other than the Directors or the chief executive of the Company) had interests and/or short positions in the shares or underlying shares of the Company as required to be kept under section 336 of the SFO:

Name	Nature of interest	Number of shares [3]	Percentage of shareholding interest [4]
Beyond Wisdom Limited	Beneficial owner [1]	649,276,613 (L)	42.20%
Yan Trust	Trustee [1]	649,276,613 (L)	42.20%
Sunny King International Limited	Beneficial owner [2]	409,805,918 (L)	26.63%
New Decent King Investment Limited	Interest of a controlled corporation [2]	409,805,918 (L)	26.63%
Cantrust (Far East) Limited	Trustee [2]	409,805,918 (L)	26.63%

Notes:

(1) Yan Trust, as a trustee, is deemed to be interested in 649,276,613 shares through its control over Beyond Wisdom Limited and Mr. Yan Hao (as a founder of the discretionary trust) is deemed to be interested in 649,276,613 shares.

(2) New Decent King Investment Limited is deemed to be interested in 409,805,918 shares through its control over Sunny King International Limited and Cantrust (Far East) Limited, as a trustee, is deemed to be interested in 409,805,918 shares through its control over New Decent King Investment Limited while Mr. Chen Xin Ge (as a founder of the discretionary trust) is deemed to be interested in 409,805,918 shares.

(3) (L) represents long positions in these securities.

(4) There were 1,538,813,213 shares in issue as at 31 December 2023.

Save as disclosed above and to the knowledge of the Directors, as at 31 December 2023, no other person had an interest or short position in the shares or underlying shares of the Company required to be entered in the register referred to in relevant provision under the Section 336 of the SFO.

Directors' Indemnities

Pursuant to Article 181 of the Articles, each Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise.

Related Party Transactions

Details of the related party transactions of the Group during the year ended 31 December 2023 are set out in Note 39(b) to the consolidated financial statements.

All the related party transactions listed in Note 39(b) to the consolidated financial statements are not regarded as connected transactions under Chapter 14A of the Listing Rules as the counterparties are joint ventures and associates of the Company which do not fall under the definition of connected persons under Chapter 14A of the Listing Rules. The Board confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this annual report, there is sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules.

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.

Changes of Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, from the date of the 2023 interim report of the Company to the date of this annual report, there was no other change in the information of the Directors which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Review by Audit Committee

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

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with such code of conduct during the year ended 31 December 2023.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. The Company has complied with the code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules for the year ended 31 December 2023, save for the deviation from code provision C.2.1 and B.2.4(b) as explained on page 32 of this annual report. Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 32 to 49 of this annual report.

Auditor

The financial statements of the Group have been audited by Elite Partners CPA Limited, who will retire at the forthcoming annual general meeting and being eligible, will offer itself for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint Elite Partners CPA Limited as the auditor of the Company.

On behalf of the Board
Yan Hao
Chairman

Independent Auditor's Report

To the Shareholders of Jingrui Holdings Limited
(incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Jingrui Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 197, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flows statement for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

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.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to the 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 have been due or will be due for repayment within the next twelve months while the Group's cash at bank and on hand (including cash and cash equivalents and restricted cash) of an aggregated amount of RMB626,251,000. Further, as at 31 December 2023, the Group had not repaid the principal and interest of certain borrowings according to their scheduled repayment dates as described in Note 2.1 and Note 19 to the consolidated financial statements. The overdue of these borrowings (including bank loans and senior notes) entitled the lenders and note holders a right to demand immediate repayment of the borrowings from the Group. Certain banks have initiated legal actions against certain subsidiaries of the Group on the overdue balances (details please refer to Note 19). These conditions, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Write-down of properties held or under development for sale
- Valuation of investment properties

Key Audit Matters (continued)

Key Audit Matter 1

Write-down of properties held or under development for sale

Refer to Note 4 (Critical accounting estimates and judgements) and Note 14 (Properties held or under development for sale) to the consolidated financial statements.

As at 31 December 2023, the Group's properties held or under development for sale amounted to RMB21,249,197,000 (31 December 2022: RMB26,068,319,000), against which an accumulated write-down of RMB269,583,000 (31 December 2022: RMB275,306,000) was provided. During the year ended 31 December 2023, an additional write-down of RMB36,656,000 (year ended 31 December 2022: RMB246,566,000) was recognised.

Properties held or under development for sale are stated at the lower of cost and net realisable value. The determination of the estimated net realisable value of these properties is highly dependent on the Group's expectation of future selling prices and the estimated costs to complete the development projects.

We focused on this area because significant judgement is required to make estimates of future selling prices and the estimated costs to complete the development projects.

How our audit addressed the Key Audit Matter

Regarding the write down of properties held or under development for sale, we performed the following audit procedures:

(1) We interviewed the management to understand the process to assess the net realisable value of the properties held or under development for sale and the reasons for the write-down for those projects.

(2) We obtained the calculation schedules for write-down of properties held or under development for sale, and tested the completeness of development projects and the mathematical accuracy of the schedules.

(3) We corroborated the Group's forecast selling prices by comparing them to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the properties held or under development for sale.

(4) We compared the management's budgeted total development costs against underlying contracts with vendors and supporting documents. We discussed with the project managers to assess the reasonableness of estimated costs to complete reference to stage of completion at 31 December 2023 and corroborated the underlying assumptions made with our understanding of past completed similar projects.

(5) We challenged the management's assessment and estimation of net realisable value of properties held or under development for sale by using our industry knowledge and external market analysis.

Based on our audit procedures performed, we consider that the management's judgement and estimations applied on their assessment of write-down of properties held or under development for sale is reasonable.

Key Audit Matters (continued)

Key Audit Matter 2

Valuation of the investment properties

Refer to Note 4 (Critical accounting estimates and judgements) and Note 7 (Investment properties) to the consolidated financial statements.

As at 31 December 2023, the Group's investment properties amounted to RMB4,646,900,000 (31 December 2022: RMB5,146,100,000). During the year ended 31 December 2023, the fair value loss on investment properties of approximately RMB106,298,000 (year ended 31 December 2022: RMB175,252,000) were recognised and presented as fair value losses on investment properties under capital platform and fair value losses on investment properties under other platforms.

We focused on this area because the carrying value of the investment properties is significant to the financial statements and the valuation of the investment properties was highly dependent on a range of estimates, such as future rental cash inflows, term yield and reversionary yield which are subject to significant judgement and estimations made by the management and valuers in the valuation process.

How our audit addressed the Key Audit Matter

Regarding the valuation of the investment properties, we performed the following audit procedures:

(1) We assessed the independence and competence of the external valuer which issued the valuation report.

(2) We assessed the valuation techniques adopted in the valuation.

(3) For rental income used in the valuation, we checked to relevant agreements on a sample basis.

(4) For yield rates, market rents and recent prices of similar properties used in the valuation, we compared them with our own expectation using evidence of market transaction. Where we identified estimates and assumptions that were outside the typical ranges used, we discussed with the valuer and assessed the reasonableness.

Based on our audit procedures performed, we consider that the estimations and assumptions used are reasonable.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the corporate profile, corporate information, financial highlights, breakdown of major properties, directors and senior management, corporate governance report, report of the directors and five-year financial information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. MAK, Kin Wang with Practising Certificate number P08114.

Elite Partners CPA Limited
Certified Public Accountants
Level 23, YF Life Tower
33 Lockhart Road
Wanchai, Hong Kong

28 March 2024

Consolidated Balance Sheet

As at 31 December 2023

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**80,129**	79,647
Right-of-use assets	6	**121,838**	124,430
Investment properties	7	**4,646,900**	5,146,100
Intangible assets	8	**85,547**	120,695
Interests in joint ventures	9	**943,240**	1,243,221
Interests in associates	10	**820,068**	824,390
Deferred income tax assets	22	**519,030**	603,600
Financial assets at fair value through profit or loss	12	**686,134**	855,504
Financial assets at fair value through other comprehensive income	12	**442,788**	492,527
Trade and other receivables and prepayments	15	**703,857**	714,701
		9,049,531	10,204,815
Current assets			
Prepayments for leasehold land	13	**54,304**	54,304
Properties held or under development for sale	14	**20,979,614**	25,793,013
Trade and other receivables and prepayments	15	**7,506,588**	8,025,028
Prepaid income taxes		**394,784**	488,353
Contract acquisition costs		**269,531**	277,868
Financial assets at fair value through profit or loss	12	**626,957**	786,375
Restricted cash	16	**291,719**	681,678
Cash and cash equivalents	16	**334,532**	670,410
		30,458,029	36,777,029
Non-current asset held for sale	7	**–**	128,000
		30,458,029	36,905,029
Total assets		**39,507,560**	47,109,844
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	**87,813**	87,813
Reserves	18	**64,795**	1,705,859
		152,608	1,793,672
Non-controlling interests	40	**4,052,215**	4,605,025
Total equity		**4,204,823**	6,398,697

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2023

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	19	**4,571,679**	5,115,976
Deferred income tax liabilities	22	**1,012,013**	1,062,151
Lease liabilities	6	**13,423**	102,339
		5,597,115	6,280,466
Current liabilities			
Borrowings	19	**12,304,443**	13,296,713
Trade and other payables	20	**8,233,763**	9,093,677
Contract liabilities		**6,124,433**	8,689,847
Amounts due to non-controlling interests of subsidiaries	21	**937,583**	1,111,322
Current income tax liabilities		**2,092,957**	2,215,863
Lease liabilities	6	**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

The consolidated financial statements on pages 73 to 197 were approved by the Board of Directors on 28 March 2024 and the consolidated balance sheet was signed on its behalf by:

Yan Hao
Director

Chen Chao
Director

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Income Statement

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Revenue	23	**7,294,475**	7,907,906
Cost of sales	26	**(6,830,159)**	(7,792,740)
Gross profit		**464,316**	115,166
Fair value loss on investment properties under capital platform	7	**(100,298)**	(175,252)
Fair value loss on investment properties under other platforms	7	**(6,000)**	–
Selling and marketing costs	26	**(320,980)**	(560,455)
Administrative expenses	26	**(310,838)**	(922,511)
Other income	24	**16,049**	20,210
Other gains and losses – net	25	**(453,969)**	(623,219)
Operating loss		**(711,720)**	(2,146,061)
Finance income	27	**17,052**	299,290
Finance costs	27	**(915,504)**	(2,129,418)
Finance costs – net		**(898,452)**	(1,830,128)
Share of results of joint ventures	9	**(111,518)**	(82,859)
Share of results of associates	10	**6,178**	(32,393)
		(105,340)	(115,252)
Loss before income tax		**(1,715,512)**	(4,091,441)
Income tax expense	30	**(125,819)**	(186,439)
Loss for the year		**(1,841,331)**	(4,277,880)
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	32	**RMB(1.12)**	RMB(2.78)
– Diluted loss per share	32	**RMB(1.12)**	RMB(2.78)

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Loss for the year		**(1,841,331)**	(4,277,880)
Other comprehensive income			
Item 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		**(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)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity holders of the Company							
	Share capital RMB'000 (Note 17)	Share premium RMB'000 (Note 18)	Treasury shares RMB'000 (Note 18)	Other reserves RMB'000 (Note 18)	Retained earnings RMB'000 (Note 18)	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023	**87,813**	**424,007**	**(4,333)**	**827,326**	**458,859**	**1,793,672**	**4,605,025**	**6,398,697**
Comprehensive income								
Loss for the year 2023	–	–	–	–	(1,721,220)	(1,721,220)	(120,111)	(1,841,331)
Other comprehensive income								
Net changes in fair value of financial assets at fair value through other comprehensive income (Note 12)	–	–	–	126,081	–	126,081	–	126,081
Taxes on fair value changes on financial assets at fair value through other comprehensive income (Note 22)	–	–	–	(31,520)	–	(31,520)	–	(31,520)
Total comprehensive income for the year 2023	–	–	–	94,561	(1,721,220)	(1,626,659)	(120,111)	(1,746,770)
Transactions with equity holders								
Share award scheme (Note 31(a))	–	–	4,333	(4,333)	–	–	–	–
Capital reduction in respect of non-controlling interests	–	–	–	–	–	–	(43,500)	(43,500)
Contribution from non-controlling interests	–	–	–	–	–	–	1,065	1,065
Changes in ownership interests in subsidiaries without change of control (Note 37)	–	–	–	(14,405)	–	(14,405)	(259,277)	(273,682)
Dividends of subsidiaries	–	–	–	–	–	–	(130,987)	(130,987)
	–	–	4,333	(18,738)	–	(14,405)	(432,699)	(447,104)
Balance at 31 December 2023	87,813	424,007	–	903,149	(1,262,361)	152,608	4,052,215	4,204,823

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity holders of the Company							
	Share capital RMB'000 (Note 17)	Share premium RMB'000 (Note 18)	Treasury shares RMB'000 (Note 18)	Other reserves RMB'000 (Note 18)	Retained earnings RMB'000 (Note 18)	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2022	87,813	424,007	(6,215)	804,235	4,728,651	6,038,491	5,198,501	11,236,992
Comprehensive income								
Loss for the year 2022	–	–	–	–	(4,269,792)	(4,269,792)	(8,088)	(4,277,880)
Other comprehensive income								
Net changes in fair value of financial assets at fair value through other comprehensive income (Note 12)	–	–	–	35,824	–	35,824	–	35,824
Taxes on fair value changes on financial assets at fair value through other comprehensive income (Note 22)	–	–	–	(8,974)	–	(8,974)	–	(8,974)
Total comprehensive income for the year 2022	–	–	–	26,850	(4,269,792)	(4,242,942)	(8,088)	(4,251,030)
Transactions with equity holders								
Share award scheme (Note 31(a))	–	–	1,882	(1,171)	–	711	–	711
Changes in ownership interests in subsidiaries without change of control (Note 37)	–	–	–	(2,588)	–	(2,588)	(183,342)	(185,930)
Disposal of subsidiaries	–	–	–	–	–	–	(343,364)	(343,364)
Dividends of subsidiaries	–	–	–	–	–	–	(59,177)	(59,177)
Non-controlling interests on acquisition of subsidiaries	–	–	–	–	–	–	495	495
	–	–	1,882	(3,759)	–	(1,877)	(585,388)	(587,265)
Balance at 31 December 2022	87,813	424,007	(4,333)	827,326	458,859	1,793,672	4,605,025	6,398,697

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023 RMB'000	2022 RMB'000
Operating activities		
Net cash generated from operations (Note 34(a))	**1,757,476**	1,485,855
Interest paid	**(325,060)**	(1,005,708)
PRC income tax paid	**(63,551)**	(73,513)
PRC land appreciation tax paid	**(24,333)**	(48,118)
Net cash generated from operating activities	**1,344,532**	358,516
Investing activities		
Purchase of property, plant and equipment	**(2,524)**	(11,363)
Purchase of intangible assets	**(25)**	(1,742)
Acquisition cost of and capitalised expenditures incurred on investment properties	**(51)**	(5,252)
Proceeds from disposal of property, plant and equipment	**214**	1,186
Cash receipt of leasing investment receivables	**–**	13,954
Capital injection to and acquisition of joint ventures and associates	**–**	(10,100)
Disposal of interests in associates	**2,941**	93,000
Acquisition of financial assets at fair value through profit or loss	**(85,844)**	(17,690)
Disposal of shares in subsidiaries	**127,718**	252,560
Disposal of financial assets at fair value through profit or loss	**37,146**	35,269
Investment income from financial assets at fair value through profit or loss	**120**	544
Dividend received from financial assets at fair value through other comprehensive income	**2,327**	14,745
Repayments from related parties	**82,438**	16,389
Cash advance to non-controlling interests of subsidiaries	**(85,870)**	(352,335)
Cash receipt from non-controlling interests of subsidiaries	**245,613**	516,789
Dividend received from joint ventures and associates	**10,375**	–
Interest received	**17,009**	291,515
Acquisition of subsidiaries, net of cash acquired	**(80,760)**	(107,830)
Net cash generated from investing activities	**270,827**	729,639

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023 RMB'000	2022 RMB'000
Financing activities		
Proceeds from borrowings	**673,642**	1,890,953
Repayments of borrowings	**(2,310,166)**	(5,629,990)
Repayments of senior notes	**–**	(27,280)
Dividends paid of subsidiaries	**–**	(45,274)
Capital contribution from non-controlling interests	**1,065**	–
Cash receipt from non-controlling interests of subsidiaries	**275**	22,520
Repayment to non-controlling interests of subsidiaries	**(70,000)**	(96,280)
Changes in advance from related parties	**15,902**	(2,618)
Increase in restricted cash relating to financing activities	**–**	2,592,653
Repayment of the payables for acquisition of equity investments	**(247,694)**	(465,418)
Change in amounts due to third parties	**–**	(734,323)
Principal elements of lease payments	**(12,173)**	(33,188)
Changes in deposits paid to secure borrowings	**(25,824)**	(99,294)
Net cash used in financing activities	**(1,974,973)**	(2,627,539)
Net decrease in cash and cash equivalents	**(359,614)**	(1,539,384)
Effect of foreign exchange rate changes	**23,736**	(1,648)
Cash and cash equivalents at beginning of the year	**670,410**	2,211,442
Cash and cash equivalents at end of the year (Note 16)	**334,532**	670,410

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 General information

Jingrui Holdings Limited (the "Company") was incorporated in the Cayman Islands on 7 March 2013 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is 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.

These consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

2 Material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 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 Cap. 622. 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 have been due or will be due for repayment within the next twelve months while the Group's cash at bank and on hand (including cash and cash equivalent and restricted cash) of an aggregated amount of RMB626,251,000. Further, as at 31 December 2023, the Group had not repaid the principal and interest of certain bank borrowings according to their scheduled repayment dates as described in Note 2.1 and Note 19 to the consolidated financial statements. The overdue of these borrowings (including bank loans and senior notes) entitled the lenders and note holders a right to demand immediate repayment of the borrowings from the Group. Certain banks have initiated legal actions against certain subsidiaries of the Group on the overdue balances (details please refer to Note 19).

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.

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

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 ("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) 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;

(ii) The Group has been successfully obtained support from most of the corporate bond holders in restructuring during the year.

The Company has launched consent solicitation on 17 May 2023 ("May 2023 Consent Solicitation") and on 20 July 2023 ("July 2023 Consent Solicitation") to extend the maturity of the Corporate Bond Due May 2026 with principal amount of RMB1,350,000,000 and Corporate Bond Due August 2026 with principal amount pf RMB500,000,000, respectively, as set out in note 19. Pursuant to the resolution of the bond holders' meeting held on 26 May 2023 and 27 July 2023, the Group successfully obtained 100% and 94% of the consent from the bond holders of Corporate Bond Due May 2026 and Corporate Bond Due August 2026, and completed the May 2023 Consent Solicitation and July 2023 Consent Solicitation, respectively. The success of the May 2023 Consent Solicitation and July 2023 Consent Solicitation result and enable the Group to effectively extend the maturity profile of RMB1.7 billion of its indebtedness gradually due from 2024 to 2026, and significantly ease the pressure on cash flow.

(iii) Although no demand for immediate repayment has been made by the lenders of other borrowings not past due, 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 report, 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;

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

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

(vi) 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;

(vii) 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;

(viii) 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;

(ix) 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;

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

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

(xii) 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.

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policies and disclosures

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.

HKFRS 17 including the October 2020 and February 2022 Amendments (HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendment to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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 HKFRSs, 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 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.

2 Material accounting policy information (continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.2.2 Separate financial statements

In the Company's balance sheet, the investments in subsidiaries are stated at cost less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2 Material accounting policy information (continued)

2.3 Joint arrangements

Joint arrangements are classified as either joint ventures or joint operations depending on the contracted rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint venture gives the parties rights to the net assets or outcome of the arrangement. A joint venture does not have rights to individual assets or obligations for individual liabilities of the joint venture. Instead, joint ventures share the net assets and, in turn, the outcome (profit or loss) of the activity undertaken by the joint venture. In contrast, a joint operation is a joint arrangement that gives parties to the arrangement direct rights to the assets and obligations for the liabilities. A joint operator will recognise its interest based on its involvement in the joint operation (that is, based on its direct rights and obligations) rather than on the participation interest it has in the joint arrangement.

Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in a joint venture is accounted for using the equity method of accounting and is initially recognised at cost. The consolidated income statement include the Group's share of the post-acquisition results of joint ventures, and the consolidated balance sheet include the Group's share of the net assets of the joint ventures and goodwill identified on acquisition net of any accumulated impairment losses.

2 Material accounting policy information (continued)

2.4 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movement in other comprehensive income is recognized in other comprehensive income with a corresponding adjustments to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. The impairment amount, as the difference between the recoverable amount of the associate and its carrying value is recognised in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors that make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

2 Material accounting policy information (continued)

2.6 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "Finance income or expenses – net". All other foreign exchange gains and losses are presented in the consolidated income statement within "Other (losses)/gains – net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

– Self-use properties and right-of-use assets-office properties	6-29 years
– Motor vehicles	6 years
– Furniture, fittings and equipment	5 years
– Leasehold improvements and others	shorter of remaining lease term or useful life estimated 5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimated accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other (losses)/gains – net" in the consolidated income statement.

2 Material accounting policy information (continued)

2.8 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Changes in fair values are recorded in the consolidated income statement in fair value gains or losses on investment properties.

Property that is currently being constructed or developed for future use as an investment property is classified as investment property and stated at fair value. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated income statement.

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGU level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Computer software

Intangible assets of the Group mainly comprise acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

2 Material accounting policy information (continued)

2.10 Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, resettlement costs (if any), construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.12 Land use rights

All land in the PRC is state-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.8).

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 Material accounting policy information (continued)

2.13 Financial assets (continued)

2.13.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidation income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidation income statement.

- Debt Instruments are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 Material accounting policy information (continued)

2.13 Financial assets (continued)

2.13.2 Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other (losses)/gains – net in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.13.3 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9 Financial Instruments ("HKFRS 9"), which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 15 for further details.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Restricted cash is excluded from cash and cash equivalents.

2 Material accounting policy information (continued)

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

2 Material accounting policy information (continued)

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, joint ventures and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Material accounting policy information (continued)

2.19 Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The contributions are recognised as employee benefit expense when they are due.

2.20 Share-based payments

The Group operates equity-settled share based compensation plans under which the entity receives services from employees as consideration for equity instruments (including shares options and share awards) of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, an entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (for example profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

2 Material accounting policy information (continued)

2.21 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated balance sheet.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

2.22 Financial guarantee liabilities

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2 Material accounting policy information (continued)

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

(a) Sales of properties

Revenues are recognised when (or as) the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. If on the contract commencement date, the Group expects that the interval between the customer's obtaining control of the property and the payment of consideration by the customer will not exceed 1 year, the financing component will not be considered as significant.

2 Material accounting policy information (continued)

2.23 Revenue recognition (continued)

(b) Service income

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectability of the related receivables is reasonably assured.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling price are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

(c) Sales of goods

Revenue from sale of goods is recognised when the goods are delivered and title has passed.

(d) Contract acquisition cost

Costs did not qualify for recognition as an asset were expensed when incurred. Costs related directly to the contract, generating resources used in satisfying the contract and expectedly to be recovered are capitalised as contract acquisition cost.

2.24 Dividend income

Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.26 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis.

2 Material accounting policy information (continued)

2.26 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the entity, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets that meet the definition of investment property are measured at fair value applying the fair value model. Other right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets which do not meet the definition of investment property are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

(a) 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. The Group's functional currency is RMB, accordingly cash and borrowings denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD") are subject to foreign exchange risk.

Fluctuation of the exchange rates for HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2023, if HKD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax loss of the Group for the year 2023 would have been higher/lower by RMB8,727,000 (2022: post-tax loss would have been higher/lower by RMB9,986,000), mainly as a result of foreign exchange loss/gain from trade and other receivables and prepayments and bank deposits net off trade and other payables and bank borrowings denominated in HKD.

As at 31 December 2023, if USD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax loss of the Group for the year 2023 would have been lower/higher by RMB348,464,000 (2022: post-tax loss would have been lower/higher by RMB341,553,000), mainly as a result of foreign exchange gain/loss from borrowings net off bank deposits denominated in USD.

(b) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits with stable interest rates, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and non-bank financial institutions. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 19.

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Cash flow and fair value interest rate risk (continued)

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

As at 31 December 2023 and 2022, if interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax results and capitalised interest for the years ended 31 December 2023 and 2022 would have changed as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Post-tax results better/(weaker)		
– 50 basis points higher	**(2,783)**	(4,632)
– 50 basis points lower	**2,783**	4,632
Capitalised interest increase/(decrease)		
– 50 basis points higher	**1,901**	3,336
– 50 basis points lower	**(1,901)**	(3,336)

3.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge the obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group considered the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

3 Financial risk management (continued)

3.2 Credit risk (continued)

(a) Cash in banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited with state-owned banks and other listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(b) Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

As at 31 December 2023 and 2022, on that basis, the loss allowance was determined as follows for trade receivables:

As at 31 December 2023	**Current RMB'000**	**More than 90 days past due RMB'000**	**More than 180 days past due RMB'000**	**Within 1 year RMB'000**	**More than 1 year past due RMB'000**	**Total RMB'000**
Expected loss rate	**2.48%**	**6.08%**	**13.46%**	**9.22%**	**18.32%**	
Gross carrying amount	**175,855**	**100,111**	**102,658**	**156,741**	**169,062**	**704,427**
Loss allowance	**(4,361)**	**(6,087)**	**(13,813)**	**(14,445)**	**(30,972)**	**(69,678)**
Accounts receivables-net	**171,494**	**94,024**	**88,845**	**142,296**	**138,090**	**634,749**

As at 31 December 2022	Current RMB'000	More than 90 days past due RMB'000	More than 180 days past due RMB'000	Within 1 year RMB'000	More than 1 year past due RMB'000	Total RMB'000
Expected loss rate	2.50%	6.71%	13.50%	8.84%	18.50%	
Gross carrying amount	111,480	7,949	79,487	445,125	151,025	795,066
Loss allowance	(2,782)	(533)	(10,731)	(39,361)	(27,940)	(81,347)
Accounts receivables-net	108,698	7,416	68,756	405,764	123,085	713,719

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made no written off for trade receivables during the years ended 31 December 2023 and 2022.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 Financial risk management (continued)

3.2 Credit risk (continued)

(c) Other receivables

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one	Borrowers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	Gross carrying amount
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (not credit-impaired)	Gross carrying amount
Stage three	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (credit-impaired)	Amortised cost carrying amount (net of credit allowance)

3 Financial risk management (continued)

3.2 Credit risk (continued)

(c) Other receivables (continued)

The Company accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Management considered other receivables to be low credit risk as they have a low risk of default and the counterparty has a strong capacity to meet contractual cash flow obligation in the near term, and thus the impairment provision recognised was based on 12 months expected losses.

	Receivables from government related bodies RMB'000	**Due from related parties and non-controlling interests RMB'000**	**Receivables from third parties other than government related bodies RMB'000**	**Total RMB'000**
As at 31 December 2023				
Gross amount of other receivables	**449,929**	**3,711,059**	**2,969,241**	**7,130,229**
Expected credit loss rate	**0.06%**	**6.50%**	**8.79%**	
Loss allowance	**(261)**	**(241,288)**	**(261,024)**	**(502,573)**
Other receivables – net	**449,668**	**3,469,771**	**2,708,217**	**6,627,656**

	Receivables from government related bodies RMB'000	Due from related parties and non-controlling interests RMB'000	Receivables from third parties other than government related bodies RMB'000	Total RMB'000
As at 31 December 2022				
Gross amount of other receivables	397,638	4,179,387	3,074,548	7,651,573
Expected credit loss rate	0.10%	6.07%	7.89%	
Loss allowance	(398)	(253,492)	(242,601)	(496,491)
Other receivables – net	397,240	3,925,895	2,831,947	7,155,082

3 Financial risk management (continued)

3.2 Credit risk (continued)

(c) Other receivables (continued)

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made no written off for other receivables during the years ended 31 December 2023 and 2022.

(d) Financial guarantee

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group also provides guarantees to certain related parties of the Group to obtain borrowings after assessing the credit history of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. In the opinion of the directors of the Group, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties. The directors consider that the likelihood of default in payments is minimal and the financial guarantees measured at fair value is immaterial.

3 Financial risk management (continued)

3.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivatives financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RMB'000	1 and 2 years RMB'000	2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2023					
Borrowings, principal (Note 19)	**12,304,443**	**3,744,576**	**679,103**	**148,000**	**16,876,122**
Interest payments on borrowings (a)	**379,376**	**258,613**	**243,056**	**10,541**	**891,586**
Trade and other payables	**7,514,881**	**–**	**–**	**–**	**7,514,881**
Amounts due to non-controlling interests of subsidiaries (Note 21)	**937,583**	**–**	**–**	**–**	**937,583**
Lease liabilities	**12,443**	**5,149**	**5,691**	**2,583**	**25,866**
Financial guarantees (Note 36)	**2,669,135**	**–**	**–**	**–**	**2,669,135**
	23,817,861	**4,008,338**	**927,850**	**161,124**	**28,915,173**

	Within 1 year RMB'000	1 and 2 years RMB'000	2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2022					
Borrowings, principal (Note 19)	13,296,713	4,273,976	45,000	797,000	18,412,689
Interest payments on borrowings (a)	1,175,561	197,669	187,224	76,020	1,636,474
Trade and other payables	8,026,801	–	–	–	8,026,801
Amounts due to non-controlling interests of subsidiaries (Note 21)	1,111,322	–	–	–	1,111,322
Lease liabilities	23,259	27,814	61,944	12,581	125,598
Financial guarantees (Note 36)	3,164,159	286,468	–	–	3,450,627
	26,797,815	4,785,927	294,168	885,601	32,763,511

Note:

(a) The interest on borrowings is calculated based on borrowings held as at 31 December 2023 and 2022, respectively. Floating-rate interests are estimated using the current interest rate as at 31 December 2023 and 2022, respectively.

3 Financial risk management (continued)

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and deposits pledged for borrowings. Total capital is calculated as total equity, as shown in the consolidated balance sheets, plus net debt.

The gearing ratios at 31 December 2023 and 2022 were as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Borrowings	**16,876,122**	18,412,689
Less: Cash at bank and on hand (Note 16)	**(334,532)**	(670,410)
Net debt	**16,541,590**	17,742,279
Total equity	**4,204,823**	6,398,697
Total capital	**20,746,413**	24,140,976
Gearing ratio	**80%**	73%

3.5 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2023 and 2022 by level of the inputs to valuation techniques used to measure fair value.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2023 and 2022.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
31 December 2023	**31,612**	**–**	**1,281,479**	**1,313,091**
Financial assets at fair value through other comprehensive income				
31 December 2023	**–**	**–**	**442,788**	**442,788**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
31 December 2022	–	–	1,641,879	1,641,879
Financial assets at fair value through other comprehensive income				
31 December 2022	–	–	492,527	492,527

There were no changes in valuation techniques during the year. The changes in the value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss during the years are presented in Note 12.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Write-down of properties held or under development for sale

The management makes the write-down of properties held or under development for sale based on the estimate of the net realisable value of the properties. Given the volatility of the property market in the PRC, the actual net realisable value may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the write-down would affect the Group's operating performance in future years.

4.2 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 7.

4.3 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

4.4 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant judgement is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules and latest practice of tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the current income tax and the deferred income tax provision in the periods in which such taxes have been finalised with local tax authorities.

4 Critical accounting estimates and judgements (continued)

4.5 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the current income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.6 Fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss

The fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques or net asset value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

4.7 Impairment of trade receivables and other receivables

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Impairment on other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

4.8 Assumption of going concern

As stated in Note 2.1, the Group's consolidated financial statements for the year ended 31 December 2023 have been prepared on a going concern basis, when making assessment of the assumption of going concern, the Directors and management shall make significant judgements about the future outcome of events or conditions which are uncertain. The Directors and management have been devising plans and measures to alleviate the Group's liquidity pressure and believe that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2023 on a going concern basis.

5 Segment information

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The reporting segments are as follows:

- 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.

5 Segment information (continued)

The three operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments.

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.

	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:						
Interests in joint ventures	897,900	–	45,340	943,240	–	943,240
Interests 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

5 Segment information (continued)

	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)
A reconciliation to loss for the year is as follows:						
Total segment loss before income tax expense						(4,091,441)
Income tax expense						(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:						
Interests in joint ventures	877,929	321,567	43,725	1,243,221	–	1,243,221
Interests 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

6 Property, plant and equipment and right-of-use assets

6.1 Property, plant and equipment

	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Leasehold improvements and others RMB'000	Self-use properties and right-of-use assets-office properties RMB'000	Total RMB'000
At 1 January 2023					
Cost	32,288	39,207	44,130	99,891	215,516
Accumulated depreciation	(25,549)	(29,075)	(35,918)	(45,327)	(135,869)
Net book amount	6,739	10,132	8,212	54,564	79,647
Year ended 31 December 2023					
Opening net book amount	6,739	10,132	8,212	54,564	79,647
Reduction arising from disposal of a subsidiary	–	(271)	–	–	(271)
Other additions	5,592	3,781	6,169	6,495	22,037
Disposals	(895)	(591)	(9)	–	(1,495)
Depreciation charge (Note 26)	(3,895)	(2,417)	(494)	(12,983)	(19,789)
Closing net book amount	7,541	10,634	13,878	48,076	80,129
At 31 December 2023					
Cost	32,527	39,267	50,283	106,386	228,463
Accumulated depreciation	(24,986)	(28,633)	(36,405)	(58,310)	(148,334)
Net book amount	7,541	10,634	13,878	48,076	80,129

6 Property, plant and equipment and right-of-use assets (continued)

6.1 Property, plant and equipment (continued)

	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Leasehold improvements and others RMB'000	Self-use properties and right-of-use assets-office properties RMB'000	Total RMB'000
At 1 January 2022					
Cost	21,610	40,018	42,966	88,378	192,972
Accumulated depreciation	(18,306)	(26,172)	(32,141)	(22,068)	(98,687)
Net book amount	3,304	13,846	10,825	66,310	94,285
Year ended 31 December 2022					
Opening net book amount	3,304	13,846	10,825	66,310	94,285
Addition from acquisition of subsidiaries	7,263	221	–	–	7,484
Reduction arising from disposal of a subsidiary	(195)	(98)	–	–	(293)
Other additions	1,033	2,612	2,569	8,203	14,417
Disposals	(1,992)	(3,914)	(2,314)	(2,756)	(10,976)
Depreciation charge (Note 26)	(2,674)	(2,535)	(2,868)	(17,193)	(25,270)
Closing net book amount	6,739	10,132	8,212	54,564	79,647
At 31 December 2022					
Cost	32,288	39,207	44,130	99,891	215,516
Accumulated depreciation	(25,549)	(29,075)	(35,918)	(45,327)	(135,869)
Net book amount	6,739	10,132	8,212	54,564	79,647

Depreciation charges of the Group have all been included in administrative expenses and selling and marketing costs for both years ended 31 December 2023 and 2022.

During the year, the Group assessed the recoverable amount of all cash generating units and no impairment loss has been recognised (2022: Nil).

6 Property, plant and equipment and right-of-use assets (continued)

6.2 Lease

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Right-of-use assets		
– Office properties (included in property, plant and equipment)	**4,552**	10,666
– Land use rights	**121,838**	124,430
Investment properties (Note 7)	**25,900**	53,100
	152,290	188,196
Lease liabilities		
Current	**12,443**	23,259
Non-current	**13,423**	102,339
	25,866	125,598

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
– Office properties (included in property, plant and equipment)	**7,492**	8,593
– Land use rights	**2,592**	2,592
	10,084	11,185
Interest expense (included in finance costs – Note 27)	**8,676**	10,300
Expense relating to short-term leases (included in administrative expenses and selling and marketing costs – Note 26)	**3,357**	7,753

The total cash outflow for leases for the year ended 31 December 2023 was RMB12,173,000 (31 December 2022: RMB40,941,000).

6 Property, plant and equipment and right-of-use assets (continued)

6.2 Lease (Continued)

(c) The Group's leasing activities and how these are accounted for

For both years ended 31 December 2023 and 2022, the Group leases various offices and apartments. Rental contracts are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

7 Investment properties and non-current assets held for sale

	Investment properties under capital platform RMB'000	Investment properties under other platforms RMB'000	Non-current assets held for sale RMB'000	Total RMB'000
Year ended 31 December 2023				
Opening balance	**4,242,100**	**904,000**	**128,000**	**5,274,100**
Subsequent expenditures capitalised	**98**	**–**	**–**	**98**
Fair value loss on investment properties under capital platform	**(100,298)**	**–**	**–**	**(100,298)**
Fair value loss on investment properties under other platforms	**–**	**(6,000)**	**–**	**(6,000)**
Disposals	**(18,000)**	**–**	**–**	**(18,000)**
Disposal of subsidiaries	**(375,000)**	**–**	**(128,000)**	**(503,000)**
Ending balance	**3,748,900**	**898,000**	**–**	**4,646,900**

	Investment properties under capital platform RMB'000	Investment properties under other platforms RMB'000	Non-current assets held for sale RMB'000	Total RMB'000
Year ended 31 December 2022				
Opening balance	4,989,100	904,000	105,000	5,998,100
Subsequent expenditures capitalised	5,252	–	–	5,252
Fair value losses on investment properties under capital platform	(175,252)	–	–	(175,252)
Transfer from investment properties to non-current assets held for sale (Note)	(128,000)	–	128,000	–
Disposals	(449,000)	–	(105,000)	(554,000)
Ending balance	4,242,100	904,000	128,000	5,274,100

Note:

Beijing San Quan Apartments, investment properties located in Beijing amounting to RMB1,796,000,000 as at 31 December 2023 (31 December 2022: RMB1,797,000,000), is held by the Group, whose objective is to consume substantially all of the economic benefits embodied in the investment properties through sale. The Group has measured the deferred tax relating to the temporary differences of the investment properties using the tax rates and the tax base that are consistent with the expected manner of recovery of the investment properties.

In December 2022, the Group entered into agreements with a third party, pursuant to which the Group will sell a service apartment property to the third party, which was in the condition available for immediate sale and expected to be completed in 2023 within one year as at 31 December 2022. The service apartment properties were classified as held for sale. In March 2023, the property has been sold.

7 Investment properties and non-current assets held for sale (continued)

Independent valuations of the Group's investment properties were performed by the valuer, Cushman & Wakefield, to determine the fair value of the investment properties as at 31 December 2023 and 2022. The following table analyses the investment properties carried at fair value, by valuation method.

Fair value hierarchy

	Fair value measurements at 31 December 2023 using		
Description	**Quoted prices in active markets for identical assets (Level 1) RMB'000**	**Significant other observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**
Recurring fair value measurements			
Investment properties located in the PRC:			
– Retail	**–**	**–**	**1,577,000**
– Office and car parks	**–**	**–**	**378,000**
– Service apartment and car parks	**–**	**–**	**2,691,900**
	–	**–**	**4,646,900**

	Fair value measurements at 31 December 2022 using		
Description	Quoted prices in active markets for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurements			
Investment properties located in the PRC:			
– Retail	–	–	1,585,000
– Office and car parks	–	–	843,000
– Service apartment and car parks	–	–	2,718,100
	–	–	5,146,100

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels 1, 2 and 3 during the year.

7 Investment properties and non-current assets held for sale (continued)

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2023 and 2022 by an independent professionally qualified valuer of Cushman & Wakefield who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance team will review the valuation performed by the valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuations movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

Valuation techniques

The Group has eight investment properties as at 31 December 2023 (31 December 2022: nine), among which three (2022: three) investment properties located in Shanghai, Zhejiang Province and Jiangsu Province are under other platforms and five (2022: six) investment properties located in Beijing and Shanghai are under capital platform, all of which were completed as at 31 December 2023.

The Group also has two right-of-use assets of investment properties which are located in Shanghai and Zhejiang Province under capital platform as at 31 December 2023 (31 December 2022: three).

The valuation of completed retail properties and office buildings, service apartments and car parks were determined using a combination of the income capitalisation approach (term and reversionary method) which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties and direct comparison approach by making reference to comparable sales transaction as available in the relevant market. For those investment properties with signed sales contract, the valuation were determined using the actual selling price.

The valuation of service apartments under renovation were determined using combination of the discounted cash flows with estimated renovation costs to complete approach and direct comparison approach by making reference to comparable sales transactions as available in the relevant market with incurred renovation costs.

The valuation of right-of-use assets of investment properties were determined using the income capitalisation approach (term and reversionary method) which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

There were no changes to the valuation techniques during the year.

7 Investment properties and non-current assets held for sale (continued)

Information about fair value measurements as at 31 December 2023 using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed office buildings and car parks	378,000 (31 December 2022: 843,000)	Income capitalisation approach	Term yield (a)	Term yield of 3.5% (31 December 2022: 4%~4.5%).	The higher the term yield, the lower the fair value
			Reversionary yield (b)	Reversionary yield of 4% (31 December 2022: 4.5%~5%).	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit (c)	RMB242~RMB273 (31 December 2022: RMB217~RMB459) per square meter per month.	The higher the market unit rent, the higher the fair value
		Direct comparison approach	Adjusted recent prices of similar properties (d)	RMB72,150~RMB81,750 (31 December 2022: RMB41,278~RMB83,900) per square meter.	The higher the unit price, the higher the fair value

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Service apartment and car parks	2,666,000 (31 December 2022: 2,665,000)	Income capitalisation approach	Term yield (a)	Term yield of 2.5%~3% (31 December 2022: 2%~3.5%).	The higher the term yield, the lower the fair value
			Reversionary yield (b)	Reversionary yield of 3%~3.5% (31 December 2022: 2.5%~4%).	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit (c)	RMB 191~RMB360 (31 December 2022: RMB185~RMB359) per square meter per month.	The higher the market unit rent, the higher the fair value
		Direct comparison approach	Adjusted recent prices of similar properties (d)	RMB 32,978~RMB 82,600 (31 December 2022: RMB32,914~RMB82,600) per square meter.	The higher the unit price, the higher the fair value

7 Investment properties and non-current assets held for sale (continued)

Information about fair value measurements as at 31 December 2023 using significant unobservable inputs (Level 3): (continued)

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed retail property	1,577,000 (31 December 2022: 1,585,000)	Income capitalisation approach	Term yield (a)	Term yield of 3.5%~4.5% (31 December 2022: 3%~5%).	The higher the term yield, the lower the fair value
			Reversionary yield (b)	Reversionary yield of 4%~5% (31 December 2022: 3%~5.5%).	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit (c)	RMB66~RMB 498 (31 December 2022: RMB63~RMB459) per square meter per month.	The higher the market unit rent, the higher the fair value
		Direct comparison approach	Adjusted recent prices of similar properties (d)	RMB8,931~RMB46,600 (31 December 2022: RMB8,862~RMB46,600) per square meter.	The higher the unit price, the higher the fair value

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Right-of-use assets of investment properties	25,900 (31 December 2022: 53,100)	Income capitalisation approach	Term yield (a)	Term yield of 4%~4.5% (31 December 2022: 4%~4.5%).	The higher the term yield, the lower the fair value
			Reversionary yield (b)	Reversionary yield of 4.5%~5% (31 December 2022: 4.5%~5%).	The higher the reversionary yield, the lower the fair value
			Market unit rent of individual unit (c)	RMB98~RMB107 (31 December 2022: RMB95~RMB103) per square meter per month.	The higher the market unit rent, the higher the fair value

7 Investment properties and non-current assets held for sale (continued)

(a) For term yield, the Group has taken into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.

(b) For reversionary yield, the Group has taken into account of annual unit market rental income and unit market value of the comparable properties.

(c) For market unit rent of individual unit, the Group used direct market comparable and has taken into account of location and other individual factors, such as road frontage, size of property and facilities.

(d) For adjusted recent prices of similar properties, the Group has taken into account of location and other individual factors, such as road frontage, size of property and facilities.

(e) The rental income from investment properties has been recognised in the consolidated financial statement:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Rental income	**167,888**	232,983

The Group's interests in investment properties at their net book values are analysed as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
In the PRC, held on:		
Right-of-use assets of investment properties with original lease term of less than 11 years	**25,900**	53,100
Leases with original term of 70 years (and remaining unexpired period between 10 to 70 years)	**2,516,000**	2,517,000
Leases with original term of 50 years (and remaining unexpired period between 10 to 50 years)	**2,105,000**	2,576,000
	4,646,900	5,146,100

Investment properties with a total carrying amount of RMB2,899,052,000 and RMB3,498,052,000 at 31 December 2023 and 2022 respectively were pledged as collateral for the Group's borrowings (Note 19).

8 Intangible assets

	Goodwill RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023				
Cost	**173,578**	**17,235**	**3,351**	**194,164**
Accumulated impairment and amortisation	**–**	**(15,274)**	**(3,230)**	**(18,504)**
Impairment on goodwill	**(54,426)**	**–**	**–**	**(54,426)**
Reduction due to disposed	**–**	**(539)**	**–**	**(539)**
Net book amount	**119,152**	**1,422**	**121**	**120,695**
Year ended 31 December 2023				
Opening net book amount	**119,152**	**1,422**	**121**	**120,695**
Other additions	**–**	**25**	**–**	**25**
Impairment on goodwill	**(33,758)**	**–**	**–**	**(33,758)**
Amortisation charge (Note 26)	**–**	**(1,264)**	**(121)**	**(1,385)**
Reduction due to disposal	**–**	**(30)**	**–**	**(30)**
Closing net book amount	**85,394**	**153**	**–**	**85,547**
At 31 December 2023				
Cost	**173,578**	**17,260**	**3,351**	**194,189**
Accumulated impairment and amortisation	**–**	**(16,538)**	**(3,351)**	**(19,889)**
Impairment on goodwill	**(88,184)**	**–**	**–**	**(88,184)**
Reduction due to disposal	**–**	**(569)**	**–**	**(569)**
Net book amount	**85,394**	**153**	**–**	**85,547**
At 1 January 2022				
Cost	96,853	15,493	3,351	115,697
Accumulated impairment and amortisation	(54,426)	(13,142)	(247)	(67,815)
Net book amount	42,427	2,351	3,104	47,882
Year ended 31 December 2022				
Opening net book amount	42,427	2,351	3,104	47,882
Other additions	–	1,742	–	1,742
Amortisation charge (Note 26)	–	(2,132)	(2,983)	(5,115)
Reduction due to disposal	–	(539)	–	(539)
Additions from acquisition of subsidiaries	76,725	–	–	76,725
Closing net book amount	119,152	1,422	121	120,695
At 31 December 2022				
Cost	173,578	17,235	3,351	194,164
Accumulated impairment and amortisation	–	(15,274)	(3,230)	(18,504)
Impairment on goodwill	(54,426)	–	–	(54,426)
Reduction due to disposal	–	(539)	–	(539)
Net book amount	119,152	1,422	121	120,695

Note:

Amortisation charges of the Group have all been included in administrative expenses for both years ended 31 December 2023 and 2022.

8 Intangible assets (continued)

Goodwill is allocated to the Group's CGUs identified according to business segment for impairment testing. A segment level summary of the goodwill is presented below:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Property development platform (a)	**14,287**	43,176
All other platforms (b)	**71,107**	75,976
	85,394	119,152

(a) As at 31 December 2023, goodwill of RMB14,287,000 (2022: RMB43,176,000) has been allocated to the cash-generated unit of the property development subsidiaries acquired for impairment testing.

The value in use calculation used pre-tax cash flow projections based on approved budgets covering a five-year period.

The following table sets forth each key assumption as at 31 December 2023 and 2022, on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December	
	2023	2022
Gross profit margin during the forecast period	**10.55%**	21.6%-24.6%
Pre-tax discount rate	**9.0%**	9.0%

In 31 December 2023 the recoverable amounts of the property development subsidiary was RMB28,889,000 lower than the carrying amount.

The directors of the Group believe that any reasonably possible changes in the key assumptions of the value in use calculation would not cause the excess of its carrying amounts significantly over the recoverable amounts of the property development subsidiaries acquired.

With reference to the recoverable amount assessed as at 31 December 2023, the directors of the Group determined that an impairment of goodwill of RMB28,889,000 was required to make during the year ended 31 December 2023 (2022: Nil).

8 Intangible assets (continued)

(b) As at 31 December 2023, goodwill of RMB71,107,000 (2022: RMB75,976,000) has been allocated to the cash-generated unit of the property management subsidiaries acquired for impairment testing.

The value in use calculation used pre-tax cash flow projections based on approved budgets covering a five-year period.

The following table sets forth each key assumption as at 31 December 2023 and 2022, on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December 2023	As at 31 December 2022
Revenue growth rate during the forecast period	1.9%-2.0%	1.9%-2.0%
Gross profit margin during the forecast period	15.0%-26.5%	13.4%-29.9%
Pre-tax discount rate	17.0%	17.0%

In 31 December 2023, the recoverable amounts of the property management subsidiaries was RMB4,869,000 lower than the carrying amount.

The directors of the Group believe that any reasonably possible changes in the key assumptions of the value in use calculation would not cause the excess of its carrying amounts significantly over the recoverable amounts of the property management subsidiaries acquired.

With reference to the recoverable amount assessed as at 31 December 2023, the directors of the Group were of the view that the provision for impairment of goodwill of RMB4,869,000 was required to make during the year ended 31 December 2023 (2022: Nil).

9 Interests in joint ventures

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
At beginning of the year	1,243,221	1,343,964
Additions (b)(c)	–	137,149
Change from joint ventures to subsidiaries (c)	–	(60,655)
Share of results	(111,518)	(82,859)
Disposals (a)(d)	(182,963)	(94,378)
Dividends	(5,500)	–
At end of the year	943,240	1,243,221

9 Interests in joint ventures (continued)

The particulars of the joint ventures of the Group, which are unlisted entities, are set out as follows:

Company name	Country/date of incorporation	Paid-in capital 2023	Paid-in capital 2022	% interests held As at 31 December 2023	% interests held As at 31 December 2022	Principal activities
Suzhou Lingrui Property Co., Ltd. ("Suzhou Lingrui")	8 June 2017, Jiangsu, the PRC	**RMB50,000,000**	RMB50,000,000	**50%**	50%	Property development
Suzhou Chengrui Property Co., Ltd. ("Suzhou Chengrui")	8 June 2017, Jiangsu, the PRC	**RMB50,000,000**	RMB50,000,000	**50%**	50%	Property development
Tianjin Yuanming Property Co., Ltd. ("Tianjin Yuanming")	9 October 2016, Tianjin, the PRC	**Nil**	Nil	**20%**	20%	Investment holding
Changshu Zhicheng Property Development Co., Ltd. ("Changshu Zhicheng")	8 May 2017, Jiangsu, the PRC	**RMB80,000,000**	RMB80,000,000	**25%**	25%	Property development
Tianjin Junyou Property Information Consultancy Co., Ltd. ("Tianjin Junyou")	31 January 2018, Tianjin, the PRC	**RMB1,000,000**	RMB1,000,000	**33%**	33%	Property development
Nanjing Shansheng Property Development Co., Ltd. ("Nanjing Shansheng")	21 August 2018, Jiangsu, the PRC	**RMB900,000,000**	RMB900,000,000	**19.75%**	19.75%	Property development
Ningbo Puhong Investment Management LLP ("Ningbo Puhong") (a)	11 May 2018, Zhejiang, the PRC	**RMB650,000,000**	RMB650,000,000	**46.17%**	46.17%	Investment holding
Shanghai Weishu Information & Technology Co., Ltd.	11 November 2015, Shanghai, the PRC	**RMB2,240,000**	RMB2,240,000	**28.05%**	28.05%	Information Technology
Tianjin Shunhe Decoration Engineering Co., Ltd.	28 September 2018, Tianjin, the PRC	**Nil**	Nil	**33%**	33%	Customised decoration
Yangzhou Hengyu Property Co., Ltd. ("Yangzhou Hengyu")	3 December 2020, Jiangsu, the PRC	**RMB1,100,000,000**	RMB1,100,000,000	**30%**	30%	Property development
Suzhou Jingjuan Consulting Management Co., Ltd. ("Suzhou Jingjuan") (c)	14 November 2019, Jiangsu, the PRC	**RMB390,000,000**	RMB390,000,000	**33%**	33%	Property development

9 Interests in joint ventures (continued)

Company name	Country/date of incorporation	Paid-in capital 2023	Paid-in capital 2022	% interests held As at 31 December 2023	% interests held As at 31 December 2022	Principal activities
Suzhou Jingya Consulting Management Co., Ltd. ("Suzhou Jingya")	5 April 2017, Jiangsu, the PRC	**RMB250,000**	RMB250,000	**40%**	40%	Investment holding
Hunan Jinruihua City Management Co., Ltd. ("Hunan Jinruihua") (b)	26 May 2021, Hunan, the PRC	**RMB49,000,000**	RMB49,000,000	**39%**	39%	Property management
Chongqing Jinghuanjin Property Co., Ltd. ("Chongqing Jinghuanjin") (b)	12 October 2021, Chongqing, the PRC	**RMB20,000,000**	RMB20,000,000	**51%**	51%	Property development
Nantong Gaojing City Operation and Management Service Co., Ltd. ("Nantong Gaojing") (b)	8 March 2022, Jiangsu, the PRC	**RMB5,000,000**	RMB5,000,000	**49%**	49%	Property management

Notes:

(a) In 2023, the Group transferred 46.17% equity interests in a wholly owned subsidiary of Ningbo Puhong at a consideration of RMB0 to an independent third party. Loss on net disposal of equity interests of RMB50,739,000 was recognised and recorded as other losses.

(b) During 2022, certain subsidiaries of the Group further injected, or invested in certain joint ventures, including Chongqing Jinghuanjin and Nantong Gaojing. The total addition of investments in joint ventures amounted to RMB10,100,000.

(c) In July 2022, the Group acquired the 51.52% equity interests of Taicang Jinghui Consulting Co., Ltd ("Taicang Jinghui") held by the other joint venture partner at a total consideration of RMB82,290,000. Since then, the Group held 100% equity interests in Taicang Jingchen, which became a wholly owned subsidiary of the Group, and Suzhou Jingjuan, a joint venture of Taicang Jingchen became an additional joint venture of the Group.

(d) In June 2022, the Group indirectly transferred 50.16% equity interests in Beijing Tianan Huafeng Tourism Investment Co., Ltd. at a consideration of RMB15,670,000 to an independent third party. Loss of RMB4,227,000 on disposal of equity interests was recognised and recorded as other losses.

9 Interests in joint ventures (continued)

Summarised financial information for material joint ventures

Set out below are the summarised financial information for Nanjing Shansheng and Yangzhou Hengyu, which are accounted for using the equity method.

Summarised balance sheet

	Nanjing Shansheng As at 31 December 2023 RMB'000	2022 RMB'000
Current		
Assets	**4,223,611**	4,197,470
Liabilities	**(3,080,462)**	(3,038,620)
Total current net assets	**1,143,149**	1,158,850
Non-current		
Assets	**–**	–
Liabilities	**–**	–
Total non-current net assets	**–**	–
Net assets	**1,143,149**	1,158,850

	Yangzhou Hengyu As at 31 December 2023 RMB'000	2022 RMB'000
Current		
Assets	**2,044,875**	3,120,108
Liabilities	**(559,279)**	(1,375,325)
Total current net assets	**1,485,596**	1,744,783
Non-current		
Assets	**131**	2,178
Liabilities	**(425,000)**	(719,950)
Total non-current net liabilities	**(424,869)**	(717,772)
Net assets	**1,060,727**	1,027,011

9 Interests in joint ventures (continued)

Summarised statement of comprehensive income

	Nanjing Shansheng For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue	**73,549**	37,986
(Loss)/profit before income tax	**(15,701)**	1,700
Income tax expense	**–**	–
Post-tax (loss)/profit	**(15,701)**	1,700
Other comprehensive income	**–**	–
Total comprehensive (loss)/income	**(15,701)**	1,700
Dividends received from joint ventures	**–**	–

	Yangzhou Hengyu For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue	**965,638**	–
Profit/(loss) before income tax	**33,716**	(64,133)
Income tax expense	**–**	–
Post-tax profit/(loss)	**33,716**	(64,133)
Other comprehensive income	**–**	–
Total comprehensive income/(loss)	**33,716**	(64,133)
Dividends received from joint ventures	**–**	–

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, and not the Group's share of those amounts.

9 Interests in joint ventures (continued)

Summarised statement of comprehensive income (continued)

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in joint ventures is as follows:

	Nanjing Shansheng For the year ended 31 December	
	2023 RMB'000	2022 RMB'000
Opening net assets	**1,158,850**	1,157,150
(Loss)/profit for the year	**(15,701)**	1,700
Closing net assets	**1,143,149**	1,158,850
Interests in joint ventures	**19.75%**	19.75%
Carrying value	**225,772**	228,873

	Yangzhou Hengyu For the year ended 31 December	
	2023 RMB'000	2022 RMB'000
Opening net assets	**1,027,011**	1,091,144
Profit/(loss) for the year	**33,716**	(64,133)
Closing net assets	**1,060,727**	1,027,011
Interests in joint ventures	**30%**	30%
Carrying value	**318,218**	308,103

The commitment relating to the Group's interests in joint ventures is presented in Note 36(b).

10 Interests in associates

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
At beginning of the year	**824,390**	998,562
Disposals (c)	**–**	(3,564)
Change from associates to subsidiaries (a)(b)	**–**	(138,215)
Share of results	**6,178**	(32,393)
Dividends	**(10,500)**	–
At end of the year	**820,068**	824,390

10 Interests in associates (continued)

The particulars of the associates of the Group, all of which are unlisted, are set out as follows:

Company name	Country/date of incorporation	Paid-in capital 2023	2022	% interests held as at 31 December 2023	% interests held as at 31 December 2022	Principal activities
Nanjing Yuning Property Co., Ltd. ("Nanjing Yuning")	5 December 2016, Jiangsu, the PRC	**RMB60,000,000**	RMB60,000,000	**17%**	17%	Property development
Ningbo Rong'an Education and Investment Management Co., Ltd. ("Ningbo Rong'an Education")	1 April 2016, Zhejiang, the PRC	**RMB5,000,000**	RMB5,000,000	**25%**	25%	Investment holding
Ningbo Jiamu Investment Co., Ltd. ("Ningbo Jiamu")	4 August 2016, Zhejiang, the PRC	**RMB5,000,000**	RMB5,000,000	**40%**	40%	Investment holding
Hangzhou Zhenlu Investment Co., Ltd. ("Hangzhou Zhenlu")	2 December 2016, Zhejiang, the PRC	**RMB600,000,000**	RMB600,000,000	**7%**	7%	Investment holding
Tropica Development Limited ("Tropica Development")	31 August 2007, Hongkong, the PRC	**HKD100**	HKD100	**25%**	25%	Investment holding
Lingtu Education Investment (Beijing) Co., Ltd.	11 August 2016, Beijing, the PRC	**RMB1,015,620**	RMB1,015,620	**20%**	20%	Technology development
Shanghai Zhengmin Information Technology Co., Ltd. ("Shanghai Zhengmin")	28 February 2017, Shanghai, the PRC	**Nil**	Nil	**49%**	49%	Computer information technology development
Ningbo Jingfeng Property Co., Ltd. ("Ningbo Jingfeng")	23 June 2017, Zhejiang, the PRC	**RMB10,000,000**	RMB10,000,000	**50%**	50%	Property development
Tianjin Ruihui Commercial Management Co., Ltd. ("Tianjin Ruihui")	5 July 2018, Tianjin, the PRC	**RMB375,000,000**	RMB375,000,000	**49%**	49%	Investment holding
Yangling Guanghui (Tianjin) Real Estate Development Co., Ltd. ("Yangling Guanghui")	10 August 2012, Tianjin, the PRC	**RMB607,843,000**	RMB607,843,000	**49%**	49%	Property development
Shanghai Pinzhai Decoration Technology Co., Ltd. ("Shanghai Pinzhai")	17 July 2015, Shanghai, the PRC	**RMB22,850,000**	RMB22,850,000	**23.1%**	23.1%	Customised decoration

10 Interests in associates (continued)

Notes:

(a) In March 2022, the Group acquired the 40% equity interests of Jiangsu Shengfeng City Services Co.,Ltd* ("Changshu Shengfeng") held by the other associate partner at a total consideration of RMB28,000,000. Since then, the Group held 70% equity interests in Changshu Shengfeng, which became a non-wholly owned subsidiary of the Group.

(b) In March 2022, the Group acquired the 50% equity interests of Tianjin Xuming Property Co., Ltd. ("Tianjin Xuming") held by the other associate partner at a total consideration of RMB85,000,000. Since then, the Group held 100% equity interests in Tianjin Xuming, which became a wholly owned subsidiary of the Group.

(c) In October 2022, the Group disposed 25% equity interests in SHQ Investment Holdings II Limited to a third party at a consideration of RMB121,814,000. Losses of RMB12,331,000 on disposal of equity interests was recognised and recorded as other gains (Note 25).

Summarised financial information for material associates

Set out below are the summarised financial information for Yangling Guanghui and Tianjin Ruihui which are accounted for using the equity method.

Summarised balance sheet

	Yangling Guanghui As at 31 December	
	2023	2022
	RMB'000	RMB'000
Current		
Assets	**829,715**	982,801
Liabilities	**(425,360)**	(575,788)
Total current net assets	**404,355**	407,013
Non-current		
Assets	**33,684**	34,218
Liabilities	**–**	(423)
Total non-current net assets	**33,684**	33,795
Net assets	**438,039**	440,808

10 Interests in associates (continued)

Summarised balance sheet (continued)

	Tianjin Ruihui As at 31 December 2023 RMB'000	2022 RMB'000
Current		
Assets	**590,364**	590,577
Liabilities	**(176,535)**	(176,982)
Total current net assets	**413,829**	413,595
Non-current		
Assets	**–**	60
Liabilities	**(5,991)**	–
Total non-current net (liabilities)/assets	**(5,991)**	60
Net assets	**407,838**	413,655

Summarised statement of comprehensive income

	Yangling Guanghui Year ended 31 December 2023 RMB'000	2022 RMB'000
Revenue	**121,244**	2,218,263
Loss before income tax	**(2,901)**	(43,041)
Income tax credit/(expense)	**132**	(62,122)
Post-tax loss	**(2,769)**	(105,163)
Other comprehensive income	**–**	–
Total comprehensive loss	**(2,769)**	(105,163)
Dividends received from associates	**–**	–

10 Interests in associates (continued)

Summarised statement of comprehensive income (continued)

	Tianjin Ruihui Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue	**–**	16,830
Profit/(loss) before income tax	**215**	(3,776)
Income tax expense	**(6,032)**	(27)
Post-tax loss	**(5,817)**	(3,803)
Other Comprehensive income	**–**	–
Total comprehensive loss	**(5,817)**	(3,803)
Dividends received from associates	**–**	–

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and not the Group's share of those amounts.

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in associates is as follows:

	Yangling Guanghui Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Opening net assets	**440,808**	545,971
Loss for the year	**(2,769)**	(105,163)
Closing net assets	**438,039**	440,808
Interests in associates	**49%**	49%
Carrying value	**214,639**	215,996

10 Interests in associates (continued)

Summarised statement of comprehensive income (continued)

	Tianjin Ruihui Year ended 31 December 2023 RMB'000	2022 RMB'000
Opening net assets	**413,655**	417,458
Loss for the year	**(5,817)**	(3,803)
Closing net assets	**407,838**	413,655
Interests in associate	**49%**	49%
Carrying value	**199,841**	202,691

The contingent liabilities relating to the Group's interests in associates is presented in Note 36(b).

11 Financial instruments by category

	As at 31 December 2023 RMB'000	2022 RMB'000
Financial assets		
Trade and other receivables excluding prepayments	**7,262,405**	7,868,801
Cash and cash equivalents	**334,532**	670,410
Restricted cash	**291,719**	681,678
Financial assets at fair value through other comprehensive income	**442,788**	492,527
Financial assets at fair value through profit or loss	**1,313,091**	1,641,879
	9,644,535	11,355,295

	As at 31 December 2023 RMB'000	2022 RMB'000
Financial liabilities		
Borrowings	**16,876,122**	18,412,689
Trade and other payables excluding non-financial liabilities	**7,514,881**	8,026,801
Amounts due to non-controlling interests of subsidiaries	**937,583**	1,111,322
Lease liabilities	**25,866**	125,598
	25,354,452	27,676,410

12 Financial assets at fair value through other comprehensive income/at fair value through profit or loss

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(ii) Equity investments at fair value through other comprehensive income

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
At beginning of the year	**492,527**	456,703
Disposals	**(175,820)**	–
Net fair value gains recognised in other comprehensive income (Note 18)	**126,081**	35,824
At end of the year	**442,788**	492,527
Less: Non-current portion	**(442,788)**	(492,527)
Current portion	**–**	–

Financial assets at fair value through other comprehensive income include the following:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Unlisted equity securities (a)	**442,788**	492,527

(a) The investments mainly represent the unlisted equity securities, the fair value of which were determined mainly based on the valuation techniques of comparison approach with Price-to-Sales multiple. The fair values are within level 3 of the fair value hierarchy.

Financial assets at fair value through other comprehensive income are denominated in the following currencies:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
RMB	**442,788**	492,527

12 Financial assets at fair value through other comprehensive income/at fair value through profit or loss (continued)

(iii) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
At beginning of the year	**1,641,879**	2,039,730
Additions	**85,844**	17,690
Disposals	**(37,146)**	(35,269)
Net fair value losses recognised in profit or loss (Note 25)	**(377,486)**	(380,272)
At end of the year	**1,313,091**	1,641,879
Less: Non-current portion	**(686,134)**	(855,504)
Current portion	**626,957**	786,375

Financial assets at fair value through profit or loss include the following:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Unlisted equity securities (a)	**201,709**	256,100
Debt investments (b)	**238,000**	195,400
Private fund investments (c)	**815,728**	1,122,967
Wealth management products (d)	**26,042**	38,235
Other financial assets (e)	**31,612**	29,177
	1,313,091	1,641,879

12 Financial assets at fair value through other comprehensive income/at fair value through profit or loss (continued)

(iii) Classification of financial assets at fair value through profit or loss (continued)

Notes:

(a) The fair value of unlisted equity securities are based on valuation techniques. The fair value is within level 3 of the fair value hierarchy. The significant unobservable inputs are the adjusted ratios of the comparable company.

(b) The fair values of debt investments are based on the discounted cash flows. The fair values are within level 3 of the fair value hierarchy. The significant unobservable inputs are the adjusted discount rate of the cash flows.

(c) The fair values of private fund investments are based on net asset value adjusted based on market prices of portfolio assets in the fund. The fair values are within level 3 of the fair value hierarchy. The significant unobservable inputs are the adjusted net assets price based on market prices of portfolio assets in the fund.

(d) Wealth management products are mainly investments in financial products issued by commercial banks. The fair values of these investments approximated their carrying values as at 31 December 2023 and 2022.

(e) The balance comprises debts investments as set out in note 19 repurchased and held by the Group at the end of the reporting period which are measured at fair value (Level 1 of then fair value hierarchy):

(i) amount of USD22,120,000 of Senior notes due 2022, issued in July 2019, as set out in note 19;

(ii) amount of USD8,000,000 of Senior notes due 2022, issued in June 2020, as set out in note 19;

(iii) amount of USD13,870,000 of Senior notes due 2023, issued in November 2020 and March 2021, as set out in note 19;

(iv) amount of USD11,020,000 of Senior notes due 2023, issued in March 2022 and April 2022, as set out in note 19;

(v) amount of USD28,000,000 of Senior notes due 2023, issued in April 2021, May 2021 and August 2021, as set out in note 19;

(vi) amount of USD15,525,000 of Senior notes due 2024, issued in September 2021, as set out in note 19;

12 Financial assets at fair value through other comprehensive income/at fair value through profit or loss (continued)

(iii) Classification of financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit of loss are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
RMB	**395,109**	387,807
HKD	**30,244**	60,159
USD	**887,738**	1,193,913
	1,313,091	1,641,879

13 Prepayments for leasehold land

The Group made prepayments of RMB54,304,000 as at 31 December 2023 (31 December 2022: RMB54,304,000) for the acquisition of leasehold land, which will be transferred to properties under development for sale upon receipt of ownership certificates or commencement of development activities.

14 Properties held or under development for sale

	As at 31 December 2023 RMB'000	2022 RMB'000
Properties under development for sale	**14,965,754**	22,588,313
Properties held for sale	**6,283,443**	3,480,006
	21,249,197	26,068,319
Less: Provision for write-down	**(269,583)**	(275,306)
	20,979,614	25,793,013

The properties held or under development for sale are all located in the PRC.

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2023 were RMB506,893,000 (2022: RMB889,722,000).

The capitalisation rate of borrowings was 11.69% for the year ended 31 December 2023 (2022: 10.62%).

As at 31 December 2023 and 2022, the Group's following properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 19).

	As at 31 December 2023 RMB'000	2022 RMB'000
Carrying value pledged:		
Properties under development for sale	**3,382,400**	8,572,683
Properties held for sale	**1,368,685**	659,994

As at 31 December 2023, properties under development for sale with a total carrying amount of RMB3,235,152,000 (31 December 2022: RMB3,013,286,000) were related to property projects which were not scheduled to complete within one year from reporting period end although pre-sales of some of these properties may occur. The other balances in properties under development for sale as at 31 December 2023 and 2022 were expected to be recovered within one year from respective reporting period end.

15 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
Amounts due from joint ventures and associates	1,098,767	1,321,734
Amounts due from non-controlling interests of subsidiaries (a)	2,486,903	2,857,653
Receivables from third parties (b)	1,452,527	1,429,069
Other receivables (c)	1,342,698	1,117,715
Prepaid taxes and surcharges and input value-added taxes to be deducted (d)	669,895	661,406
Deposits paid to secure borrowings	206,301	180,477
Deposits for potential investment	265,821	270,268
Prepayments of construction costs	278,145	209,522
Other paid deposits (e)	277,212	474,657
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) The balances represents the funding provided to non-controlling interests of certain subsidiaries by reference to the expected dividend to be declared based on the expected profit of relevant projects, which are unsecured, non-interest bearing.

(b) The balance as at 31 December 2023 includes the loan principal and interest receivable, totaling USD159,943,000 and HKD352,782,000 (totaling equivalent to RMB1,452,527,000) (31 December 2022: USD159,943,000 and HKD352,782,000 (totaling equivalent to RMB1,429,069,000)), due from third parties.

(c) Other receivables include, temporary funding receivables, dividend receivables, net leasing investment receivables and miscellaneous.

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

(e) Other paid deposits include, deposits with public housing fund centres, deposits paid for construction work, and deposits paid for advanced proceeds received from customers.

15 Trade and other receivables and prepayments (continued)

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 provision 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
(Reversal of)/provision 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 (Note 19).

As at 31 December 2023 and 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

16 Cash at bank and on hand (Cash and cash equivalents and restricted cash)

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Cash at bank and on hand		
– denominated in RMB	**619,805**	1,304,186
– denominated in USD	**4,086**	44,252
– denominated in HKD	**2,360**	3,605
– denominated in SGD	**–**	45
	626,251	1,352,088

Cash and cash equivalents of the Group were determined as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Cash at bank and on hand	**626,251**	1,352,088
Less: restricted cash	**(291,719)**	(681,678)
	334,532	670,410

Restricted cash of the Group comprised of the following:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Deposits as security for property purchasers' mortgage loans (a)	**592**	592
Deposits for advanced proceeds received from property purchasers (b)	**238,318**	643,154
Deposits for ongoing litigations (c)	**46,939**	33,145
Others	**5,870**	4,787
	291,719	681,678

Notes:

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the transfer of the properties' ownership certificates to these purchasers.

(b) The proceeds are used for the operation of the Group for the relevant property development projects.

(c) Balance included the bank balance under preservation order from the count in relation to the litigation of the overdue borrowing set out in note 19(a).

17 Share capital

(a) Authorised shares

	Number of authorised shares
As at 31 December 2023 and 2022	**10,000,000,000**

(b) Ordinary shares, issued and fully paid and treasury shares

	Number of ordinary shares	Ordinary shares (nominal value) RMB'000	Treasury shares RMB'000	Total RMB'000
As at 1 January 2022	1,538,813,213	87,813	(6,215)	81,598
Share award scheme	–	–	1,882	1,882
As at 31 December 2022 and 1 January 2023	1,538,813,213	87,813	(4,333)	83,480
Share award scheme	–	–	4,333	4,333
As at 31 December 2023	1,538,813,213	87,813	–	87,813

18 Reserves

	Share premium RMB'000 (c)	Treasury shares RMB'000	Merger reserve RMB'000 (a)	Capital reserve RMB'000	Share award scheme RMB'000	Share option scheme RMB'000	Statutory surplus reserve RMB'000 (b)	Financial assets at fair value through other comprehensive income RMB'000 (d)	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2023	424,007	(4,333)	125,481	286,567	88,310	3,197	245,437	78,334	458,859	1,705,859
Comprehensive income										
Loss for the year 2023	–	–	–	–	–	–	–	–	(1,721,220)	(1,721,220)
Net changes in fair value of financial assets through other comprehensive income (Note 12)	–	–	–	–	–	–	–	126,081	–	126,081
Taxes on fair value changes on financial assets through other comprehensive income (Note 22)	–	–	–	–	–	–	–	(31,520)	–	(31,520)
Total comprehensive income for the year 2023	–	–	–	–	–	–	–	94,561	(1,721,220)	(1,626,659)
Transactions with owners										
Changes in ownership interests in subsidiaries without change of control (Note 37)	–	–	–	(14,405)	–	–	–	–	–	(14,405)
Share award scheme (Note 31)	–	4,333	–	–	(4,333)	–	–	–	–	–
	–	4,333	–	(14,405)	(4,333)	–	–	–	–	(14,405)
Balance at 31 December 2023	424,007	–	125,481	272,162	83,977	3,197	245,437	172,895	(1,262,361)	64,795

18 Reserves (continued)

	Share premium RMB'000 (c)	Treasury shares RMB'000	Merger reserve RMB'000 (a)	Capital reserve RMB'000	Share award scheme RMB'000	Share option scheme RMB'000	Statutory surplus reserve RMB'000 (b)	Financial assets at fair value through other comprehensive income RMB'000 (d)	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2022	424,007	(6,215)	125,481	289,155	89,481	3,197	245,437	51,484	4,728,651	5,950,678
Comprehensive income										
Loss for the year 2022	–	–	–	–	–	–	–	–	(4,269,792)	(4,269,792)
Net changes in fair value of financial assets through other comprehensive income (Note 12)	–	–	–	–	–	–	–	35,824	–	35,824
Taxes on fair value changes on financial assets through other comprehensive income (Note 22)	–	–	–	–	–	–	–	(8,974)	–	(8,974)
Total comprehensive income for the year 2022	–	–	–	–	–	–	–	26,850	(4,269,792)	(4,242,942)
Transactions with owners										
Changes in ownership interests in subsidiaries without change of control (Note 37)	–	–	–	(2,588)	–	–	–	–	–	(2,588)
Share award scheme (Note 31)	–	1,882	–	–	(1,171)	–	–	–	–	711
	–	1,882	–	(2,588)	(1,171)	–	–	–	–	(1,877)
Balance at 31 December 2022	424,007	(4,333)	125,481	286,567	88,310	3,197	245,437	78,334	458,859	1,705,859

18 Reserves (continued)

Notes:

(a) Merger reserve

Merger reserve represent the difference of aggregate consideration paid by the Group for the acquisition of subsidiaries pursuant to the reorganisation in 2013 and the aggregate capital of the subsidiaries acquired, after elimination of investment in subsidiaries.

(b) Statutory surplus reserve

In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations.

(c) Under the Cayman Companies Law, the share premium account may be applied by the Company for paying distributions or dividends to shareholders if immediately following the date on which the Company proposes to distribute the dividend, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. Details of the proposed final dividend are set out in Note 33.

(d) Financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in Note 2.13. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

19 Borrowings

	As at 31 December 2023 RMB'000	2022 RMB'000
Borrowings included in non-current liabilities		
– Bank loans, secured (a)	**3,068,712**	4,347,950
– Other loans, secured (k)	**997,500**	963,500
– Trust financing arrangements, secured (b)	**1,329,382**	1,410,412
– Senior notes due 2022, secured, issued in July 2019 (c)	**1,841,502**	1,810,796
– Senior notes due 2022, secured, issued in March 2020 (d)	**89,738**	88,241
– Senior notes due 2022, secured, issued in June 2020 (e)	**1,062,405**	1,044,946
– Senior notes due 2023, issued in November 2020 and March 2021, secured (f)	**2,478,945**	2,437,084
– Senior notes due 2023, issued in April 2021 and May 2021 and August 2021, secured (g)	**1,699,848**	1,667,431
– Senior notes due 2024, secured, issued in September 2021 (h)	**1,168,605**	1,148,781
– Senior notes due 2023, issued in March 2022, secured (d)	**1,211,946**	1,171,168
– Senior notes due 2023, issued in April 2022, secured (d)	**140,946**	138,358
– Corporate bonds due August 2026 (i)	**351,214**	351,214
– Corporate bonds due May 2026 (j)	**1,348,389**	1,344,707
	16,789,132	17,924,588
Less: Current portion of long-term borrowings	**(12,217,453)**	(12,808,612)
	4,571,679	5,115,976
Borrowings included in current liabilities		
– Bank loans, secured (a)	**86,990**	488,101
	86,990	488,101
Add: Current portion of long-term borrowings	**12,217,453**	12,808,612
	12,304,443	13,296,713

19 Borrowings (continued)

Notes:

(a) The Group's bank borrowings are secured by properties held or under development for sale (Note 14), trade and other receivables (Note 15), investment properties (Note 7) and bank deposits (Note 16) of the Group or guaranteed by subsidiaries of the Company.

As at 31 December 2023, the Group had not repaid certain bank borrowings according to their scheduled repayment dates which entitled certain banks a right to demand immediate repayment of bank borrowings amounted to RMB807,000,000 from the Group. Certain banks have initiated legal actions against certain subsidiaries of the Group on the overdue borrowings. The relevant litigation were filed in September 2023 and November 2023. Certain assets of the relevant subsidiaries of the Group (included in properties held or under development for sale) of approximately RMB599,557,000 have been applied for preservation and no further progress has been made so far. The Group expects to use the working capital of its subsidiaries or sell the pledged assets to repay these borrowings.

(b) These borrowings are mainly obtained through trust arrangements with trust financing companies. Borrowings under trust financing arrangements are secured by investment properties (Note 7), certain properties held or under development for sale (Note 14) and shares of certain subsidiaries of the Group or guaranteed by subsidiaries of the Company. Under the conventional loan trust financing arrangements, these trust financing companies provide loans to the Group through loan agreements entered into with the Group. As at 31 December 2023, the Group had not repaid certain trust financing arrangements according to their scheduled repayment dates. The overdue of these borrowings entitled certain creditors to demand immediate repayment of the borrowings of an aggregated amount of RMB536,558,000 from the Group. As at the date of this report, in the opinion of the management, the relevant creditors have not demand immediate repayment of the borrowing from the Group.

(c) Senior notes due 2022, issued in July 2019

In July 2019, the Company issued 3-year senior notes with principal amount of USD260,000,000, which were listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 25 July 2019 at 12% per annum payable semi-annually in arrears, and are due for repayment on 25 July 2022. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 25 July 2022, the Company may at its option redeem the whole or a portion of the senior notes at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The Group purchased back part of senior notes due 2022, issued in July 2019 in the aggregate principal amount of USD500,000 with unpaid accrued interest in 2020.

The Company has not repaid the principal and interest due on 25 July 2022 for the senior notes, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

19 Borrowings (continued)

Notes: (continued)

(d) Senior notes due 2022, issued in March 2020, and senior notes due 2023, issued in March 2022

In March 2020, the Company issued 2-year senior notes with principal amount of USD190,000,000, which were listed on the Singapore Exchange Securities Trading Limited. These notes are denominated in USD, and bear interest from 11 March 2020 at 12% per annum payable semi–annually in arrears, and are due for repayment on 11 March 2022 ("**Notes Due March 2022**"). The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 11 March 2022, the Company may at its option redeem the whole or a portion of Notes Due March 2022 at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

On 22 February 2022, the Company commenced an exchange offer to the bond holders of Notes Due March 2022. On 9 March 2022, a total amount of USD175,330,000 (representing approximately 92.28% of the aggregate principal amount of outstanding existing notes) has been validly exchanged for new senior notes of USD171,113,500 due on 9 September 2023 with an annual interest rate of 12% ("Notes Due September 2023").

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

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

At any time and from time to time prior to 9 September 2023, the Company may at its option redeem the whole or a portion of Notes Due September 2023 at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The Company has not repaid the remaining USD12,670,000 of the principal and its interest of Notes Due March 2022 and the interest due on 9 September 2022 and 9 March 2023 and the principal and interest due on 9 September 2023 for Notes Due September 2023, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

(e) Senior notes due 2022, issued in June 2020

In June 2020, the Company issued 2-year senior notes with principal amount of USD150,000,000, which were listed on the Hong Kong Stock Exchange. These notes are denominated in USD, and bear interest from 26 June 2020 at 12% per annum payable semi-annually in arrears, and are due for repayment on 26 September 2022. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 26 September 2022, the Company may at its option redeem the whole or a portion of the senior notes at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The Company has not repaid the interest due on 26 March 2022 and the principal and interest due on 26 September 2022 for the senior notes, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

19 Borrowings (continued)

Notes: (continued)

(f) Senior notes due 2023, issued in November 2020 and March 2021

In November 2020, the Company issued 2-year senior notes with principal amount of USD240,000,000, USD142,815,000 of which are senior notes issued pursuant to the exchange offer with respect to the senior notes due 2021, issued in April 2018, including the principal amount of USD20,000,000 exchanged by Beyond Wisdom Limited (Note (c)). The senior notes due 2023, issued in November 2020 were listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 19 November 2020 at 14.5% per annum payable semi-annually in arrears, and are due for repayment on 19 February 2023.

In March 2021, the Company issued 1-year senior notes with principal amount of USD110,000,000, which were consolidated and form a single series with the USD240,000,000 14.5% senior notes due 2023 issued by the Company in November 2020 and listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 19 March 2021 at 14.5% per annum payable semi-annually in arrears, and are due for repayment on 19 February 2023.

The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 19 February 2023, the Company may at its option redeem the whole or a portion of the senior notes at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The Company has not repaid the interest due on 19 May 2022 and 19 November 2022 and the principal and interest due on 19 February 2023 for the senior notes, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

(g) Senior notes due 2023, issued in April 2021 and May 2021 and August 2021

In April 2021, the Company issued 2.5-year senior notes with principal amount of USD157,000,000, which were listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 26 April 2020 at 12.5% per annum payable semi-annually in arrears, and are due for repayment on 26 October 2023.

In May 2021, the Company issued 2-year senior notes with principal amount of USD33,000,000, which were consolidated and form a single series with our outstanding USD157,000,000 12.5% senior notes due 2023 issued in April 2021 and listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 17 May 2021 at 12.5% per annum payable semi-annually in arrears, and are due for repayment on 26 October 2023.

In August 2021, the Company issued 2-year senior notes with principal amount of USD50,000,000, which were consolidated and form a single series with our outstanding USD157,000,000 12.5% senior notes due 2023 issued in April 2021 and USD33,000,000 12.5% senior notes due 2023 issued in May 2021 and listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 17 August 2021 at 12.5% per annum payable semi-annually in arrears, and are due for repayment on 26 October 2023.

The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 26 October 2023, the Company may at its option redeem the whole or a portion of the senior notes at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The Company has not repaid the interest due on 26 April 2022 26 October 2022 and 26 April 2023 and the principal and interest due on 26 October 2023, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

19 Borrowings (continued)

Notes: (continued)

(h) Senior notes due 2024, issued in September 2021

In September 2021, the Company issued 2-year senior notes with principal amount of USD165,000,000, which were listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 28 September 2021 at 12.0% per annum payable semi-annually in arrears, and are due for repayment on 28 January 2024. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

At any time and from time to time prior to 28 January 2024, the Company may at its option redeem the whole or a portion of the senior notes at redemption prices agreed in the terms, plus accrued and unpaid interest up to the redemption date.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors of the Group are of the view that the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2023 as the bonds were due and outstanding on 28 January 2024.

The Company has not repaid the interest due on 28 March 2022, 28 September 2022, 28 March 2023, 28 September 2023 and the principal and the interest due on 28 January 2024 for the senior notes, which constitutes an event of default, and has engaged a financial advisor to carry out the restructuring of USD debt (Note 2.1).

(i) Corporate bonds due August 2026

In August 2019, the Group issued five-year corporate bonds with principal amount of RMB500,000,000 ("Corporate Bonds Due August 2024"), which were listed on the Shanghai Stock Exchange. The corporate bonds due August 2024 are denominated in RMB, and bear interest rate at 7% per annum, payable annually in arrears.

The Group purchased back Corporate bonds due August 2024 in the net principal amount of RMB157,740,000 with unpaid accrued interest in 31 December 2022.

On 20 July 2023, the Group had launched a consent solicitation ("July 2023 Consent Solicitation") for the Corporate Bond Due August 2024 and obtained Consent Solicitation on 27 July 2023 by successfully gaining the consent from 100% of the bond holders. Following the completion of July 2023 Consent Solicitation, (i) the maturity of the corporate bond was extended for 36 months since 7 August 2023 (that is 7 August 2026) ("Corporate Bond due August 2026"); (ii) 1%, 6%, 6%, 6%, 6%, 6%, 10%, 10%, 10%, 13%, 13% and 13% of the principal amount of RMB500,000,000 will be gradually repaid on 7 October 2024, 7 December 2024, 7 February 2025, 7 April 2025, 7 June 2025, 7 August 2025, 7 October 2025, 7 December 2025, 7 February 2026, 7 April 2026, 7 June 2026 and 7 August 2026, respectively; (iii) interest rate of the corporate bond remains unchanged at 7.0% per annum; and (iv) a grace period of 30 days beyond the abovementioned due dates are granted to the Group.

19 Borrowings (continued)

Notes: (continued)

(j) Corporate bonds due May 2026

In May 2021, the Group issued three-year corporate bonds with principal amount of RMB1,350,000,000 ("Corporate bonds due May 2024"), which were listed on the Shanghai Stock Exchange. The corporate bonds due May 2024 are denominated in RMB, and bear interest rate at 7.2% per annum for the first two years, payable annually in arrears.

On 17 May 2023, the Group had launched a consent solicitation ("May 2023 Consent Solicitation") for the Corporate Bond due May 2024 and obtained Consent Solicitation on 29 May 2023 by successfully gaining the consent from 94% of the bond holders. Following the completion of May 2023 Consent Solicitation, (i) the maturity of the corporate bond was extended for 36 months since 31 May 2023 (that is 31 May 2026) ("Corporate Bond due May 2026"); (ii) 1%, 6%, 6%, 6%, 6%, 6%, 10%, 10%, 10%, 13%, 13% and 13% of the principal amount of RMB1,350,000,000 will be repaid on 31 July 2024, 30 September 2024, 30 November 2024, 31 January 2025, 31 March 2025, 31 May 2025, 31 July 2025, 30 September 2025, 30 November 2025, 31 January 2026, 31 March 2026 and 31 May 2026, respectively; and (iii) interest rate of the corporate bond remains unchanged at 7.2% per annum.

(k) Other loans

Other loans, mainly including the loans from other financial institutions, are secured by properties held or under development for sale, investment properties, trade and other receivables, equity interests in the subsidiaries of the Company and guaranteed by a subsidiary of the Company. Included in other loans, there is a commercial mortgage backed securitisation which was issued in July 2018 and is due on 28 November 2029 with principal amount of RMB720,000,000 including priority tranche of RMB684,000,000 with an annual interest rate at 5% and posterior tranche of RMB36,000,000 which were subscribed by the Group. The commercial mortgage backed securitisation are guaranteed by certain subsidiaries and secured by the investment properties of Beijing San Quan Apartment (Note 8) and accounts receivables of rental income generated from Beijing San Quan Apartment (Note 15). The commercial mortgage backed securitisation are denominated in RMB, and bear the above interest rate per annum for the second three years, payable quarterly in arrears.

In August 2023, the Group, the original creditor and the new creditor of the commercial mortgage-backed securitization has entered into a debt assignment and debt reorganization agreement, pursuant to which, (i) the loan of principal amount of RMB720,000,000 receivable from the Group are reorganized and to be transferred assigned to the new creditor; (ii) the loan is secured by the investment properties of Beijing San Quan Apartment (note 8) and the registration of the mortgagee will be change to the new creditor during the transition period starting from 23 August 2023 to January 2025; (iii) the loan is also secured by the receivables of rental income generated from the investment properties of Beijing San Quan Apartment (note 8), equity interest of certain subsidiaries and guaranteed by a subsidiaries of the Group; (iv) the loan is repayable by the Group in January 2025 and bearing interest from 6% to 8% payable to the new creditor during a transition period; (v) during the transition period, the original creditor and the new creditor will locate potential buyer and recommend to the Group for sales of the pledged investment properties of Beijing San Quan Apartment to repay the loan; (vi) the new creditor will have right to seize and dispose the secured investment properties of Beijing San Quan Apartment for proceeds to settle the loan if no potential buyers is located at the end of the transition period.

As at 31 December 2023, the fair value and carrying amount of the secured investment properties of Beijing San Quan Apartment (note 8) is RMB1,796,000,000 (31 December 2022: RMB1,797,000,000).

19 Borrowings (continued)

The maturity of non-current borrowings at the reporting dates is as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Between 1 and 2 years	**3,744,576**	4,273,976
Between 2 and 5 years	**679,103**	45,000
Above 5 years	**148,000**	797,000
	4,571,679	5,115,976

The range of effective interest rates as at 31 December 2023 and 2022 were as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Bank and other loans	**3.45%-14.5%**	3.65%-14.5%
Trust financing arrangements	**10.50%-11.5%**	9.75%-11.5%

The cost of financing of the trust financing arrangements includes the interest costs and administrative fees, such as arrangement or consultancy fees and trustee fees.

As at 31 December 2023 and 2022, the fair values for borrowings approximate their carrying amounts.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

	6 months or less RMB'000	6 – 12 months RMB'000	1 – 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Borrowings included in non-current liabilities:					
As at 31 December 2023	–	–	4,423,679	148,000	4,571,679
As at 31 December 2022	–	–	4,318,976	797,000	5,115,976
Borrowings included in current liabilities:					
As at 31 December 2023	10,829,449	1,474,994	–	–	12,304,443
As at 31 December 2022	5,084,345	8,212,368	–	–	13,296,713

19 Borrowings (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
RMB	**6,995,322**	8,722,143
USD	**9,693,934**	9,506,806
HKD	**186,866**	183,740
	16,876,122	18,412,689

20 Trade and other payables

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Trade and bills receivables	**2,372,403**	2,636,048
Amounts due to related parties	**1,617,048**	1,614,983
Turnover taxes payable	**684,026**	1,027,533
Interest payables	**2,110,924**	1,367,413
Dividend payable to non-controlling interests of certain subsidiaries	**223,582**	223,582
Other payables and accruals	**1,225,780**	2,224,118
	8,233,763	9,093,677

20 Trade and other payables (Continued)

Notes:

Other payables and accruals 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, 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 payables 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

21 Amounts due to non-controlling interests of subsidiaries

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Amounts due to non-controlling interests of subsidiaries	**937,583**	1,111,322

The balance as at 31 December 2023 includes amounts of RMB103,224,000 (31 December 2022: RMB103,224,000), which were the outstanding principal balance of shareholder's loan of Tianjin Huajing Property Co., Ltd. ("Tianjin Huajing"), a non-controlling shareholder, to Tianjin Ruijun Real Estate Development Co., Ltd. ("Tianjin Ruijun"), a subsidiary of the Group. This shareholder's loan was guaranteed by Jingrui Properties (Group) Co., Ltd., ("Jingrui Properties") which was another subsidiary of the Group, and was secured over Tianjin Jingrui Yuexitai Project.

The balance as at 31 December 2023 includes amounts of RMB17,493,000 (31 December 2022: RMB17,493,000), which were the outstanding principal balance of shareholder's loan from Tianjin Huajing, a non-controlling shareholder, to Tianjin Ruijun, a subsidiary of the Group. The shareholder's loan was unsecured, non-interest bearing and repayable on demand (31 December 2022:interest rate 4.75%).

As at 31 December 2023 and 31 December 2022, save as aforesaid amounts, the fundings from non-controlling interests of certain subsidiaries for their operational purpose in property development are unsecured, non-interest bearing and repayable on demand.

22 Deferred income tax

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Deferred tax assets to be recovered		
– within 12 months	**281,035**	373,757
– after 12 months	**237,995**	229,843
	519,030	603,600
Deferred tax liabilities to be settled		
– within 12 months	**(294,340)**	(323,655)
– after 12 months	**(717,673)**	(738,496)
	(1,012,013)	(1,062,151)
Deferred tax liabilities, net	**(492,983)**	(458,551)

22 Deferred income tax (continued)

The gross movement on the deferred income tax account is as follows:

	Year ended 31 December 2023 RMB'000	2022 RMB'000
Opening balance	**(458,551)**	(742,528)
Charged to disposal of subsidiaries	**52,890**	35,719
(Credited)/charged to the consolidated income statement (Note 30)	**(55,802)**	257,232
Addition arising from other comprehensive income (Note 18)	**(31,520)**	(8,974)
Ending balance	**(492,983)**	(458,551)

As at 31 December 2023, RMB29,905,000 (31 December 2022: RMB29,905,000) of deferred income tax assets and deferred income tax liabilities were offset.

The movement in deferred income tax assets and liabilities for both years ended 31 December 2023 and 2022 without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Tax losses RMB'000	Provision for impairment of properties held for sale and receivables RMB'000	Elimination of inter-company transactions RMB'000	Temporary difference on recognition of sales and cost of sales RMB'000	Accruals RMB'000	Total RMB'000
At 1 January 2023	**117,330**	**192,370**	**4,123**	**315,054**	**4,628**	**633,505**
Disposal of a subsidiary	**(1,095)**	**–**	**–**	**–**	**–**	**(1,095)**
Charged to the consolidated income statement	**(44,183)**	**(2,828)**	**–**	**(36,464)**	**–**	**(83,475)**
At 31 December 2023	**72,052**	**189,542**	**4,123**	**278,590**	**4,628**	**548,935**

22 Deferred income tax (continued)

Deferred income tax assets (continued)

	Tax losses RMB'000	Provision for impairment of properties held for sale and receivables RMB'000	Elimination of inter-company transactions RMB'000	Temporary difference on recognition of sales and cost of sales RMB'000	Accruals RMB'000	Total RMB'000
At 1 January 2022	103,434	30,586	5,548	315,054	4,628	459,250
Credited/(charged) to the consolidated income statement	13,896	161,784	(1,425)	–	–	174,255
At 31 December 2022	117,330	192,370	4,123	315,054	4,628	633,505

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB1,420,446,000 (31 December 2022: RMB1,253,065,000) in respect of tax losses amounting to RMB5,681,782,000 (31 December 2022: RMB5,012,258,000) as at 31 December 2023. All these tax losses will expire within five years.

22 Deferred income tax (continued)

Deferred income tax liabilities

	Temporary difference on recognition of fair value gains RMB'000	Temporary difference on recognition of cost of sales and expenses RMB'000	Undistributed profits of PRC subsidiaries RMB'000	Acquisition of subsidiaries RMB'000	Total RMB'000
At 1 January 2023	**335,099**	**201,363**	**16,524**	**539,070**	**1,092,056**
Disposal of a subsidiary	**(2,892)**	**–**	**–**	**(51,093)**	**(53,985)**
Charged to the consolidated income statement	**(23,925)**	**(1,520)**	**–**	**(2,228)**	**(27,673)**
Credited to other comprehensive income (Note 18)	**31,520**	**–**	**–**	**–**	**31,520**
At 31 December 2023	**339,802**	**199,843**	**16,524**	**485,749**	**1,041,918**
At 1 January 2022	369,938	240,527	16,524	574,789	1,201,778
Disposal of a subsidiary	–	–	–	(35,719)	(35,719)
Charged to the consolidated income statement	(43,813)	(39,164)	–	–	(82,977)
Credited to other comprehensive income (Note 18)	8,974	–	–	–	8,974
At 31 December 2022	335,099	201,363	16,524	539,070	1,092,056

23 Revenue

Revenue of the Group consists of the following:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue from contracts 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

24 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

25 Other gains and 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 loss from financial assets at fair value through profit or loss (Note 12)	**(377,486)**	(380,272)
Investment income from financial assets at fair value through profit or loss	**1,731**	9,255
Impairment loss on goodwill	**(33,758)**	–
Gains on disposal of property, plant and equipment	**128**	228
Loss on disposal of a joint venture	**(50,739)**	–
Loss on disposal of an associate	**–**	(12,331)
Gains/(losses) on disposal of subsidiaries (Note 38(d))	**16,204**	(316,151)
Compensation and late payment charges	**(21,465)**	(29,382)
Others	**(12,320)**	9,480
	(453,969)	(623,219)

26 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 (Note 6)	**19,789**	25,270
Amortisation of intangible assets (Note 8)	**1,385**	5,115
Bank charges	**7,303**	25,300
Staff costs (Note 28)	**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 (Note 6)	**3,357**	7,753
Travelling expenses	**4,320**	3,939
Net (reversal)/impairment losses on financial assets (Note 15)	**(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

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 rate 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.

As at 31 December 2023 and 2022, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

27 Finance costs – net

	Year ended 31 December 2023 RMB'000	2022 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 loss on financing activities	**(164,768)**	(883,959)
– Interest on lease liabilities (Note 6)	**(8,676)**	(10,300)
– Less: amount capitalised	**506,893**	889,722
	(915,504)	(2,129,418)
Finance costs – net	**(898,452)**	(1,830,128)

28 Staff costs (including directors' emoluments)

	Year ended 31 December 2023 RMB'000	2022 RMB'000
Wages and salaries	**186,743**	389,854
Pension	**12,094**	6,758
Other welfare benefit expenses	**27,492**	39,177
Share award scheme (Note 31)	**–**	711
	226,329	436,500

29 Benefits and interests of directors

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive is set out below:

Name of director	Fees RMB'000	Salaries and other allowances RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Share award scheme RMB'000	Total RMB'000
Year ended 31 December 2023:					
Chen Xin Ge (陳新戈) (ii)	–	–	–	–	–
Yan Hao (閆浩) (i) (ii)	–	1,315	86	–	1,401
Xu Hai Feng (徐海峰) (ii)	–	1,870	86	–	1,956
Chen Chao (陳超) (ii)	–	1,564	86	–	1,650
Han Jiong (韓炯) (iii)	278	–	–	–	278
Qian Shi Zheng (錢世政) (iii)	278	–	–	–	278
Lo Wing Yan (盧永仁) (iii)	278	–	–	–	278
	834	4,749	258	–	5,841
Year ended 31 December 2022:					
Chen Xin Ge (陳新戈) (ii)	–	–	–	–	–
Yan Hao (閆浩) (i) (ii)	–	1,315	77	–	1,392
Xu Hai Feng (徐海峰) (ii)	–	1,870	77	235	2,182
Chen Chao (陳超) (ii)	–	1,567	77	872	2,516
Han Jiong (韓炯) (iii)	263	–	–	–	263
Qian Shi Zheng (錢世政) (iii)	263	–	–	–	263
Lo Wing Yan (盧永仁) (iii)	263	–	–	–	263
	789	4,752	231	1,107	6,879

29 Benefits and interests of directors (continued)

(a) Directors' and chief executive's emoluments (continued)

Notes:

(i) The chief executive of the Company is Yan Hao, who is also one of the executive directors of the Company.

(ii) Yan Hao and Chen Xin Ge were appointed as the executive directors of the Company in October 2013. In October 2022, the Company renewed the service agreement with Yan Hao for a fixed term of three years commencing on 31 October 2022. Pursuant to the service agreement, the service agreement renewed between Chen Xin Ge and the Company was automatically renewed upon the expiry of the term on 31 October 2022 until 30 March 2023 at which time Chen Xin Ge resigned as an executive director of the Company and concurrently, on 30 March 2023, Chen Xin Ge was appointed as a non-executive director of the Company and signed a letter of appointment with the Company for a fixed term of three years commencing from 30 March 2023.

Xu Hai Feng was appointed as executive director of the Company. In March 2021 and March 2024, the Company has renewed the service agreement with Xu Hai Feng for a further term of three years commencing from 15 March 2021 and 15 March 2024.

Chen Chao was appointed as executive director of the Company. In March 2022, the Company has renewed the service agreement with Mr. Chen Chao for a further term of three years commencing from 30 March 2022.

(iii) Han Jiong (韓炯), Qian Shi Zheng (錢世政) and Lo Wing Yan (盧永仁) were appointed as independent non-executive directors of the Company. In October 2022, the Company entered into a renewed letter of appointment with each of independent non-executive directors for a further term of three years commencing from 31 October 2022.

(b) Five highest paid individuals

The three individuals whose emoluments were the five highest in the Group during the year ended 31 December 2023 include three (2022: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2022: two) individuals are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances, share award, share option and benefits in kind	**2,564**	2,704
	2,564	2,704

The emoluments fell within the following bands:

	Number of individuals	
	2023	2022
	RMB'000	RMB'000
Emoluments bands (in Hong Kong dollar)		
HKD1,000,000 and below	**1**	–
HKD1,000,001 – HKD1,500,000	**–**	1
HKD1,500,001 – HKD2,000,000	**1**	1
	2	2

29 Benefits and interests of directors (continued)

(c) During the year ended 31 December 2023, no retirement benefits operated by the Group were paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2022: Nil).

During the year ended 31 December 2023, no payments or benefits in respect of termination of director's services were paid or made, directly or indirectly, to or receivable by a director; nor are any payable (2022: Nil).

During the year ended 31 December 2023, no consideration was provided to or receivable by third parties for making available director's services (2022: Nil).

No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the years ended 31 December 2023 and 2022.

30 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 (Note 22)	**55,802**	(257,232)
Total income tax charged for the year	**125,819**	186,439

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Loss before income tax	**(1,715,512)**	(4,091,441)
PRC land appreciation tax	**(15,655)**	(225,236)
	(1,731,167)	(4,316,677)
Income tax calculated at statutory rate of 25%	**(432,792)**	(1,079,169)
Effect of expenses not deductible for income tax purposes	**258,059**	382,327
Share of results of joint ventures and associates	**26,335**	28,813
Income not subject to tax	**(729)**	(25,633)
Utilisation of previously unrecognised tax losses	**–**	(3,693)
Tax losses and temporary differences not recognised as deferred tax assets	**167,381**	563,490
Other tax on change in fair value	**91,910**	95,068
PRC land appreciation tax	**15,655**	225,236
Total income tax expense	**125,819**	186,439

30 Income tax expense (continued)

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 Group 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.

31 Share-based payments

(a) New share award scheme

The Company's Board approved and adopted the Share Award Scheme on 29 November 2017 (the "**New Share Scheme**"). Pursuant to the New Share Scheme, subject to certain vesting conditions, the shares can be vested in tranches on 1 January 2018, 2019, 2020 and 2021 respectively. In May 2020 and in April 2021, under the same scheme, certain shares were granted to the selected employees and can be vested in tranches in January 2021, January 2022 and January 2023 respectively.

In April 2022, under the same scheme, certain shares were granted to the selected employees and can be vested in tranches in April 2022, April 2023 and April 2024 respectively subject to certain vesting conditions, which are determined by the Board of the Company in September 2023 and which shall vest in 2024.

No expenses was recognised for the year ended 31 December 2023 in relation to the employees' service provided (2022: RMB711,000).

31 Share-based payments (continued)

(b) Share option scheme

The Company's Board approved and adopted the Share Option Scheme on 7 May 2019. On 9 September 2019, the Company granted 27,000,000 share options with an exercise price of HKD2.53 per share to certain directors of the Group and certain employees of the Company and its subsidiaries. Under the same scheme, 3,000,000 share options granted to a senior management of the Company in June 2021 with an exercise price of HKD 2.53.

The amount of options that will vest depends on the achievement of certain targets of the Group mainly including contracted sales and net profits attributable to equity holders of the Company. Once vested, the options remain exercisable at any time during the period prior to the expiration of 10 years from the date on which the options are granted and accepted, in accordance with the terms of the Share Option Scheme.

Set out below are summaries of options granted under the plan:

	2023		2022	
	Exercise price Per share option (HKD per share)	**Number of options**	Exercise price Per share option (HKD per share)	Number of options
As at 1 January	**2.53**	**5,850,000**	2.53	9,900,000
Granted during the year	**–**	**–**	–	–
Lapsed during the year	**–**	**–**	–	–
Cancelled during the year	**2.53**	**(1,350,000)**	2.53	(4,050,000)
As at 31 December	**2.53**	**4,500,000**	2.53	5,850,000

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	**Expiry date**	**Exercise price in HKD per share**	**Share options at 31 December 2023**	Share options at 31 December 2022
9 September 2019	8 September 2029	2.53	**4,050,000**	5,400,000
8 June 2021	7 June 2031	2.53	**450,000**	450,000
			4,500,000	5,850,000

The Group has to estimate the expected percentage of grantees that will stay within the Group at the end of vesting periods of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss.

An independent valuation was performed by the valuer, Cushman & Wakefield, to determine the fair value of the share option at 9 September 2019. The valuation was determined using the Binomial model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk free interest rate for the term of the option. No expenses was recognised for the year ended 31 December 2023 (2022: nil).

32 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.

33 Dividends

The Board did not recommend any payment of dividend for the years ended 31 December 2023 and 2022.

34 Notes to the consolidated cash flow statement

(a) Net cash generated from operations:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Loss before income tax	**(1,715,512)**	(4,091,441)
Adjustments for:		
Depreciation (Note 26)	**19,789**	25,270
Amortisation (Note 26)	**1,385**	5,115
Gains from disposals of property, plant and equipment (Note 25)	**(128)**	(228)
Net impairment losses on financial assets (Note 26)	**(5,587)**	400,572
(Gains)/losses on disposal of shares in subsidiaries (Note 25)	**(16,204)**	316,151
Losses from disposal of shares in an associate	**–**	12,331
Loss from disposal of a joint venture shares	**50,739**	–
Gains from re-measurement of the existing interests in a joint venture upon obtaining of control (Note 25)	**–**	(22,416)
Change in fair value of financial assets at fair value through profit or loss (Note 25)	**377,486**	380,272
Write-down of properties held or under development for sale (Note 26)	**36,656**	246,566
Fair value loss on investment properties under capital platform (Note 7)	**100,298**	175,252
Fair value loss on investment properties under other platforms (Note 7)	**6,000**	–
Share of results of joint ventures (Note 9)	**111,518**	82,859
Share of results of associates (Note 10)	**(6,178)**	32,393
Foreign exchange losses (Note 27)	**164,768**	883,959
Finance costs (Note 27)	**750,736**	1,245,459
Interest income (Note 27)	**(17,052)**	(299,290)
Share award scheme (Note 31)	**–**	711
Investment income from financial assets at fair value through profit or loss (Note 25)	**(1,731)**	(9,255)
Impairment loss on goodwill (Note 25)	**33,758**	–
Changes in working capital		
– Restricted cash relating to operating activities	**389,959**	595,182
– Properties held or under development for sales (excluding capitalised interest)	**4,327,286**	4,501,071
– Trade and other receivables and prepayments	**146,574**	774,977
– Contract liabilities	**(2,565,414)**	(2,482,939)
– Trade and other payables	**(558,362)**	(1,196,256)
– Amounts due from related parties	**140,529**	523,233
– Amounts due to related parties	**(13,837)**	(613,693)
Net cash generated from operations	**1,757,476**	1,485,855

34 Notes to the consolidated cash flow statement (continued)

(b) Major non-cash transaction:

During the year ended 31 December 2023, the Group settled amounts due to third parties of RMB173,468,000 by transferring certain financial assets at fair value through other comprehensive income based on the fair value of such financial assets as at the transfer date.

For the year ending 31 December 2023, the Group had to settle the amount due to third parties by transferring the equity of certain subsidiaries to a third party of RMB195,616,000.

For the year ended 31 December, 2023, the Group had to settle the amount due to a third party by transferring the equity of an joint venture, the amount of which was RMB100,000,000.

For the year ended December 31, 2023, the Group had to settled the dividend payable to non-controlling interests by netting off with the amounts due from non-controlling interests of the subsidiaries of RMB130,987,000.

(c) Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Borrowings	**16,876,122**	18,412,689
Leases liabilities	**25,866**	125,598
Amounts due to related parties	**79,852**	74,581
Amounts due to non-controlling interests of subsidiaries	**937,583**	1,111,322
	17,919,423	19,724,190

	Borrowings RMB'000	Leases liabilities RMB'000	Amounts due to related parties RMB'000	Amounts due to non-controlling interests of subsidiaries RMB'000	Total RMB'000
Balance as at 1 January 2023	**18,412,689**	**125,598**	**74,581**	**1,111,322**	**19,724,190**
Net cash flows	**(1,636,523)**	**(12,173)**	**–**	**(69,725)**	**(1,718,421)**
Disposal of subsidiaries	**(49,528)**	**–**	**–**	**–**	**(49,528)**
Foreign exchange movements	**164,768**	**–**	**–**	**–**	**164,768**
Other non-cash movements	**(15,284)**	**(87,559)**	**5,271**	**(104,014)**	**(201,586)**
Balance as at 31 December 2023	**16,876,122**	**25,866**	**79,852**	**937,583**	**17,919,423**

34 Notes to the consolidated cash flow statement (continued)

(c) Net debt reconciliation: (continued)

Net debt (continued)

	Borrowings RMB'000	Leases liabilities RMB'000	Amounts due to related parties RMB'000	Amounts due to non-controlling interests of subsidiaries RMB'000	Total RMB'000
Balance as at 1 January 2022	21,598,037	145,137	75,037	1,498,982	23,317,193
Net cash flows	(3,766,317)	(33,188)	(2,618)	(73,760)	(3,875,883)
Acquisition of subsidiaries	9,500	–	–	–	9,500
Disposal of subsidiaries	(170,521)	–	–	–	(170,521)
Foreign exchange movements	836,135	–	–	–	836,135
Other non-cash movements	(94,145)	13,649	2,162	(313,900)	(392,234)
Balance as at 31 December 2022	18,412,689	125,598	74,581	1,111,322	19,724,190

35 Commitments

(a) Property development expenditure commitments

Property development expenditure committed at each balance sheet date but not yet incurred is as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Land use rights	**397,696**	397,696
Other property development expenditure	**3,400,323**	3,564,698
	3,798,019	3,962,394

(b) Operating lease rental receivables

As at 31 December 2023 and 2022, the future aggregate minimum rental receipts under non-cancellable operating lease in respect of certain buildings are receivable in the following periods:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within 1 year	**75,481**	99,811
1 to 5 years	**72,984**	205,975
After 5 years	**39,466**	80,884
	187,931	386,670

36 Financial guarantees and contingent liabilities

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities at each balance sheet date:

	As at 31 December 2023 RMB'000	2022 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**2,236,327**	2,906,674

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors of the Group consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Guarantees provided to joint ventures and associates and joint ventures' related parties

As at 31 December 2023, the Group provided guarantees for a total of bank borrowings of RMB432,808,000 of its joint ventures, associates and joint ventures' related parties (31 December 2022: RMB543,953,000).

37 Changes in ownership interests in subsidiaries without change of control

Acquisition of additional interests in subsidiaries

In 2023, the Group acquired additional equity interests of certain subsidiaries from the relevant non-controlling interests for a total cash consideration of RMB273,682,000 (2022: RMB185,930,000). The excess of RMB259,277,000 in total compared to the carrying amount of the non-controlling interests of RMB14,405,000 was recognised in equity attributable to equity holders of the Company.

During 2023 and 2022, major acquisition of additional interests in subsidiaries are as follows:

(a) In July 2023, the Group acquired an additional 20% equity interests of its subsidiary of Taicang Jinghui Consulting Co., Ltd ("Taicang Jinghui") at a consideration of RMB80,760,000. The excess of RMB11,700,000 over the negative carrying amount of the non-controlling interests of RMB69,060,000 was recognised in equity attributable to equity holders of the Company.

37 Changes in ownership interests in subsidiaries without change of control (continued)

Acquisition of additional interests in subsidiaries (continued)

(b) In August 2023, the Group acquired an additional 3% equity interests of its subsidiary of Suzhou Jinghan Consulting Management Co., Ltd. at a consideration of RMB12,922,000. The carrying amount of the non-controlling interests is the same as the carrying amount of RMB12,922,000.

(c) In August 2023, the Group acquired an additional 40% equity interests of its subsidiary of Shanghai Youjing Enterprise Management Co., Ltd. (" Shanghai Youjing") at a consideration of RMB180,000,000. The excess of RMB2,705,000 over the negative carrying amount of the non-controlling interests of RMB177,295,000 was recognised in equity attributable to equity holders of the Company.

(d) In September 2022, the Group acquired an additional 56% equity interests of its subsidiary of Ningbo Xiaoyong Investment Co., Ltd. ("Ningbo Xiaoyong") at a consideration of RMB5,600,000. The deficiency of RMB14,482,000 compared to the negative carrying amount of the non-controlling interests of RMB20,082,000 was recognised in equity attributable to equity holders of the Company.

(e) In December 2022, the Group acquired an additional 49% equity interests of its subsidiary of Shanghai Juanyu Real Estate Development Co., Ltd. ("Shanghai Juanyu") at a consideration of RMB180,330,000. The excess of RMB17,070,000 compared to the carrying amount of the non-controlling interests of RMB163,260,000 was recognised in equity attributable to equity holders of the Company.

The following table summarises the carrying amount of non-controlling interests acquired, considerations need to be paid to non-controlling interests and excess of consideration paid recognised within equity at the acquisition date.

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Consideration need be paid to non-controlling interests	**(273,682)**	(185,930)
Carrying amount of non-controlling interests acquired	**259,277**	183,342
Excess of consideration paid recognised within equity	**(14,405)**	(2,588)

Aggregate effects of all above transactions with non-controlling interests on the equity attribute to equity holders of the Company for the year ended 31 December 2023 and 2022.

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Excess of consideration paid recognised within equity	**(14,405)**	(2,588)
Net effects for transactions with non-controlling interests on equity attributable to equity holders for the Company	**(14,405)**	(2,588)

38 Business combination and assets acquisitions

Business combination in 2022

(a) In March 2022, the Group entered into a share purchase agreement with a third party, pursuant to which the Group acquired 40% equity interest in Changshu Shengfeng on top of 30% original shareholding, at a consideration of RMB28,000,000, which was fully paid in 2022.

Completion of the share purchase took place on 31 March 2022 and Changshu Shengfeng became a non-wholly owned subsidiary of the Group since then.

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date of 31 March 2022.

	RMB'000
Consideration in cash	
– Amount paid	28,000
– Fair value of the 30% original equity interest in Changshu Shengfeng	20,990
	48,990
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2,458
Trade and other receivables and prepayments	13,239
Financial assets at fair value through profit or loss	3,200
Completed properties held for sale	66
Property, plant and equipment	5,810
Borrowings	(9,500)
Trade and other payables	(13,447)
Current income tax liabilities	(177)
Total identifiable net assets	1,649
Non-controlling interests	(495)
Goodwill	47,836
	48,990
Acquisition-related costs (included in administrative expenses in the consolidated income statement for the year ended 31 December 2022)	150

The acquired business contributed revenue of RMB30,682,000 and net profit of RMB5,070,000 to the Group for the period from 31 March 2022 to 31 December 2022. Had Changshu Shengfeng been consolidated on 1 January 2022, the pro-forma revenue included in the consolidated income statement contributed by Changshu Shengfeng would be RMB40,349,000. Changshu Shengfeng also would contribute pro-forma net profit of RMB5,822,000.

38 Business combination and assets acquisitions (continued)

Business combination in 2022 (continued)

(b) In July 2022, the Group entered into a share purchase agreement with three third parties, pursuant to which the Group acquired 51.52% equity interests of Taicang Jingchen Consulting Management Co., Ltd. ("Taicang Jingchen") on top of 48.48% original shareholding, at a consideration of RMB82,290,000, and fully paid in 2022.

Completion of the share purchase took place on 1 July 2022 and Taicang Jingchen became a wholly owned subsidiary of the Group since then.

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date of 1 July 2022.

	RMB'000
Consideration	
– Amount paid	82,290
– Fair value of original 48.48% equity interests in Taicang Jingchen	77,434
	159,724
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2
Trade and other receivables and prepayments	2,428
Associates	128,700
Trade and other payables	(295)
Total identifiable net assets	130,835
Non-controlling interests	–
Goodwill	28,889
	159,724
Acquisition-related costs (included in administrative expenses in the consolidated income statement for the year ended 31 December 2022)	3

The acquired business contributed revenue of RMB0 and net profit of RMB24,163,000 to the Group for the period from 1 July 2022 to 31 December 2022. Had Taicang Jingchen been consolidated on 1 January 2022, the pro-forma revenue included in the consolidated income statement contributed by Taicang Jingchen would be RMB0. Taicang Jingchen also would contribute pro-forma net profit of RMB44,365,000.

38 Business combination and assets acquisitions (continued)

Assets acquisitions in 2022

(c) In March 2022, the Group entered into a purchase agreement with a third party, pursuant to which the Group acquired 50% equity interests of Tianjin Xuming Property Co., Ltd. ("Tianjin Xuming") at a consideration of RMB85,000,000, which was fully paid by 30 June 2022. The transaction was regarded as assets acquisition which was completed in March 2022.

Disposal of subsidiaries in 2023

(d) For the year ended 31 December 2023, the Group disposed of certain subsidiaries engaged in property management business at a total consideration of RMB 325,330,000. Upon the completion of the disposals, the Group recognized a profit of approximately RMB16,204,000.

Analysis of assets and liabilities of subsidiaries disposed of:

	RMB'000
Cash and cash equivalents	1,996
Trade and other receivables and prepayments	20,960
Property, plant and equipment	271
Investment properties	503,000
Deferred income tax assets	1,095
Trade and other receivables and prepayments(long term)	194
Borrowings(current liabilities)	(149,528)
Trade and other payables	(6,947)
Current income tax liabilities	(4,047)
Receipts in advance from properties	(3,882)
Deferred income tax liabilities	(53,986)
Net assets attributable to the Group disposed of	309,126
Total considerations	(325,330)
Net loss on disposal of subsidiaries	(16,204)
Total considerations	325,330
Consideration received	129,714
Cash and cash equivalents disposed of	(1,996)
Net cash inflow	127,718

Disposal of subsidiaries in 2022

(e) For the year ended 31 December 2022, the Group disposed of certain subsidiaries engaged in property development business at a total consideration of RMB408,920,000. Upon the completion of the disposals, the Group recognized a loss of approximately RMB230,633,000.

(h) For the year ended 31 December 2022, the Group disposed of certain subsidiaries engaged in property management business at a total consideration of RMB201,376,000. Upon the completion of the disposals, the Group recognized a loss of approximately RMB85,518,000.

39 Related-party transactions

(a) Name and relationship with related parties

Name	Relationship with the Group
Ningbo Jiamu	Associate
Ningbo Jinghang Property Co., Ltd. ("Ningbo Jinghang")	A subsidiary of an associate
Nanjing Yuning	Associate
Ningbo Rong'an Education	Associate
Changshu Zhicheng	Joint venture
Tianjin Yuanming	Joint venture
Hangzhou Zhenlu	Associate
Hangzhou Lvcheng Guixi Real Estate Development Co., Ltd. ("Lvcheng Guixi")	A subsidiary of an associate
Suzhou Lingrui	Joint venture
Suzhou Chengrui	Joint venture
Chongqing Jinghuanjin	Joint venture
Ningbo Jingfeng	Associate
Tianjin Junyou	Joint venture
Tianjin Xinyou Property Co., Ltd. ("Tianjin Xinyou")	A subsidiary of a joint venture
Changshu Huihuang	An associate of a joint venture
Nanjing Shansheng	Joint venture
Tianjin Ruihui	Associate
Tianjin Ruihui Real Estate Development Co., Ltd. ("Tianjin Ruihui Development")	A subsidiary of an associate
Shanghai Pinzhai	Associate
Shanghai Jidong Decoration Engineering Co., Ltd. ("Shanghai Jidong")	A subsidiary of an associate
Pinzhuang Jianzhu Design Consulting Co., Ltd. ("Pinzhuang Jianzhu")	A subsidiary of an associate
Yangling Guanghui	Associate

39 Related-party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship with the Group
Ningbo Puhong	Joint venture
Shanghai Puhong Industrial Development Co.,Ltd. ("Shanghai Puhong")	A subsidiary of a joint venture
Shanghai Maglink Enterprise Management Co., Ltd. ("Shanghai Maglink")	A subsidiary of a joint venture before December 2023, a third parties thereafter
Tianjin Changxin Decoration Co., Ltd. ("Tianjin Changxin")	Joint venture
Tianjin Xinghuacheng Property Co.,Ltd. ("Tianjin Xinghuacheng")	Joint venture
Hangzhou Yuerong Real Estate Development Co., Ltd. ("Hangzhou Yuerong")	A subsidiary of an associate
Beyond Wisdom Limited	A company wholly owned by Yan Hao
Sunny King International Limited	A company wholly owned by Chen Xin Ge
Yan Hao	Substantial shareholder, director, co-chairmen (re-designated from Co-chairman on 30 March 2024), chief executive officer
Chen Xin Ge	Substantial shareholder, director, co-chairmen (resigned on 30 March 2024)
Suzhou Jingya	Joint venture
Yangzhou Hengyu	Joint venture
Suzhou Jingjuan	A Joint venture of a joint venture before July 2022, a joint venture thereafter

39 Related-party transactions (continued)

(b) Transactions with related parties

	Year ended 31 December 2023 RMB'000	2022 RMB'000
(i) Receiving decoration services from related parties		
– Shanghai Jidong	**2,017**	2,607
– Shanghai Pinzhai	**722**	258
– Pinzhuang Jianzhu	**3,460**	295
	6,199	3,160
(ii) Providing property management services from related parties		
– Shanghai Maglink	**3,031**	1,888
	3,031	1,888
(iii) Interest income from related parties		
– Shanghai Pinzhai	**113**	425
– Yangling Guanghui	**16,369**	–
	16,482	425
(iv) Providing consulting service to related parties		
– Chongqing Jinghuanjin	**909**	4,388
– Yangling Guanghui	**1,259**	–
– Nanjing Yuning	**6,277**	–
	8,445	4,388
(v) Senior notes subscribed by a related party Beyond Wisdom Limited		
– Fully capitalised interest	**4,979**	20,197
	4,979	20,197
(vi) Guarantee provided to joint ventures and associates (Note 36)		
– Changshu Huihuang	**111,840**	119,500
– Yangzhou Hengyu	**127,500**	215,985
– Chongqing Jinghuanjin	**193,468**	208,468
	432,808	543,953

39 Related-party transactions (continued)

(c) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents, head of Capital Platform, head of Jingrui Service, head of Yan Capital Management and company secretary. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**7,641**	8,163
Share award scheme	**–**	1,238
Post-employment benefits	**479**	434
	8,120	9,835

(d) Related-party balances

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
(i) Amounts due from related parties (Note 15)		
– Ningbo Jinghang	**9,970**	9,935
– Tianjin Yuanming	**311,730**	311,730
– Ningbo Jingfeng	**5,021**	4,824
– Suzhou Chengrui	**59,878**	59,720
– Tianjin Junyou	**85,430**	85,430
– Chongqing Jinghuanjin	**68,342**	68,342
– Ningbo Puhong	**–**	86,135
– Yangling Guanghui (a)	**91,444**	110,163
– Shanghai Maglink	**–**	94,808
– Tianjin Ruihui	**2**	2
– Shanghai Pinzhai (b)	**1,083**	5,083
– Yangzhou Hengyu	**219,847**	219,600
– Ningbo Jiamu	**98,845**	98,845
– Suzhou Jingya	**116,731**	116,715
– Changshu Huihuang	**30,444**	7,370
– Shanghai Puhong	**–**	43,030
– Taicang Ruiyi	**–**	2
	1,098,767	1,321,734

39 Related-party transactions (continued)

(d) Related-party balances (continued)

Notes:

(a) The balance as at 31 December 2023 includes an amount of RMB91,444,000 (31 December 2022: RMB110,163,000) due from Yangling Guanghui, which represents the outstanding principal for a shareholder's loan granted to Yangling Guanghui and interest receivable. The shareholder's loan has an annual interest rate of 10% and is unsecured.

(b) The balance as at 31 December 2023 includes an amount of RMB0 (31 December 2022: RMB4,000,000) due from Shanghai Pinzhai, which represents the outstanding principal for a shareholder's loan granted to Shanghai Pinzhai. The shareholder's loan has an annual interest rate of 10% and is unsecured.

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
(ii) Amounts due to related parties (Note 20)		
– Yangzhou Hengyu	**421,996**	421,996
– Ningbo Jiamu	**205,853**	205,853
– Ningbo Jinghang	**11**	2
– Changshu Zhicheng	**19,540**	23,040
– Suzhou Lingrui	**28,363**	28,363
– Suzhou Chengrui	**99,883**	99,883
– Ningbo Rong'an Education	**20,500**	20,500
– Lvcheng Guixi	**42,000**	42,000
– Hangzhou Zhenlu	**10,500**	10,500
– Tianjin Xinghuacheng	**16,000**	16,000
– Nanjing Yuning	**60,707**	60,694
– Ningbo Jingfeng	**59,490**	54,814
– Tianjin Xinyou	**60,258**	60,258
– Changshu Huihuang	**22,602**	22,396
– Nanjing Shansheng	**214,151**	204,445
– Ningbo Puhong	**–**	18,276
– Hangzhou Yuerong	**32,513**	32,513
– Tianjin Ruihui Development	**81,632**	81,632
– Tianjin Changxin	**12,200**	12,200
– Beyond Wisdom Limited	**18,124**	15,297
– Sunny King international Limited (a)	**47,108**	44,664
– Suzhou Jingjuan	**143,617**	139,657
	1,617,048	1,614,983

39 Related-party transactions (continued)

(d) Related-party balances (continued)

Notes:

(a) The balance as at 31 December 2023 includes an amount of RMB47,108,000 (31 December 2022: RMB44,664,000) due to Sunny King international Limited, which represents the outstanding principal and interest for a loan received from Sunny King international Limited, and will be matured in 2023. The loan has an annual interest rate of 8.88% and unsecured.

Except for those balances disclosed above, other fundings provided to or from related parties are unsecured, non-interest bearing and repayable on demand.

40 Particulars of principal subsidiaries

Particulars of the major subsidiaries of the Group as at 31 December 2023 and 2022 are as follows:

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Jingrui Properties (Group) Co., Ltd. (景瑞地產(集團)有限公司) ("Jingrui Properties") (b)	8 September 1993	1,621,079	1,621,079	**100%**	100%	Property land investment holding
Ningbo Jingrui Property Co., Ltd. (寧波景瑞置業有限公司)	20 February 2013	620,000	620,000	**100%**	100%	Property development
Equity International Urban Facilities Development (Tianjin) Co, Ltd. (權益城市設施開發(天津)有限公司) (b)	25 June 2007	USD71,600	USD71,600	**100%**	100%	Urban infrastructure development
EI Urban Facilities Development (Tianjin) Co., Ltd. (天津億安城市設施開發有限公司) (b)	15 August 2007	533,325	533,325	**100%**	100%	Urban infrastructure development
Shanghai Xiaoyi Investment Co., Ltd. (上海驍意投資有限公司) ("Shanghai Xiaoyi") (c)	13 May 2014	100	100	**65%**	65%	Investment holding
Suzhou Jinghui Property Co., Ltd. (蘇州璟輝置業有限公司)	14 April 2016	600,000	600,000	**100%**	100%	Property development
Wuhan Ruixiao Real Estate Investment Co., Ltd. (武漢瑞驍房地產投資有限公司) ("Wuhan Ruixiao")	17 March 2017	1,003,000	1,003,000	**100%**	100%	Investment holding
Wuhan Ruiqian Business Consulting Co., Ltd. (武漢瑞乾商務諮詢有限公司) ("Wuhan Ruiqian") (c)	12 December 2017	200,000	200,000	**60%**	60%	Investment holding
Taicang Jingrui Business Consulting Co., Ltd. (太倉璟睿諮詢有限公司)	1 April 2017	1,000,000	1,000,000	**100%**	100%	Investment holding
Shanghai Shenran Business Consulting Co., Ltd. (上海燊冉商務諮詢有限公司) ("Shanghai Shenran") (c)	17 December 2018	1,000,000	1,000,000	**30%**	30%	Investment holding

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Shanghai Guicui Information Consulting Co., Ltd. (上海晷翠信息諮詢有限公司) ("Shanghai Guicui") (c)	17 December 2018	1,000,000	1,000,000	**30%**	30%	Investment holding
Shanghai Jingrui Property Management Co., Ltd. (上海景瑞物業管理有限公司) ("Jingrui Property Management")	31 December 1996	47,882	47,882	**82%**	82%	Property management
Shanghai Lichen Building Decoration Engineering Co., Ltd. (上海立臣建築裝飾工程有限公司)	4 November 2011	500,000	500,000	**100%**	100%	Building decoration engineering
Shanghai Jingrui Investment Co., Ltd. (上海景瑞投資有限公司)	22 July 2003	100,000	100,000	**100%**	100%	Investment holding
Changzhou Jingshen Property Co., Ltd. (常州景申置業有限公司)	14 April 2006	80,000	80,000	**100%**	100%	Property development
Changzhou Jingshang Property Co., Ltd. (常州景尚置業有限公司))	23 February 2011	620,000	620,000	**100%**	100%	Property development
Nantong Jingrui Property Co., Ltd. (南通景瑞置業有限公司) ("Nantong Jingrui")	26 January 2010	210,520	210,520	**100%**	100%	Property development
Zhoushan Jingrui Property Co., Ltd. (舟山景瑞置業有限公司)	16 February 2006	50,000	50,000	**100%**	100%	Property development
Zhoushan Jingshang Property Co., Ltd. (舟山景尚置業有限公司) ("Zhoushan Jingshang")	17 August 2010	200,000	200,000	**100%**	100%	Property development
Shaoxing Jingrui Property Co., Ltd. (紹興景瑞置業有限公司)	27 June 2011	100,000	100,000	**100%**	100%	Property development
Shanghai Huajiang Construction and Development Co., Ltd. (上海華江建設發展有限公司) ("Shanghai Huajiang")	16 August 2002	10,000	10,000	**67.5%**	67.5%	Property development
Hainan Jingshen Investment Management Co., Ltd. (海南景申投資管理有限公司)	14 May 2013	10,000	10,000	**100%**	100%	Property management and investment holding
Hainan Jingshang Commercial Management Co., Ltd. (海南景尚商業管理有限公司)	17 April 2013	USD2,000	USD2,000	**100%**	100%	Property management and investment holding
Shanghai Fengxiang Property Development Co., Ltd. (上海鳳翔房地產開發有限公司)	23 June 1998	100,000	100,000	**100%**	100%	Property development
Shaoxing Jingming Property Co., Ltd. (紹興景明置業有限公司)	22 January 2014	5,000	5,000	**51%**	51%	Property development
Shanghai Hefu Investment Co., Ltd. (上海合福投資管理有限公司)	16 October 2015	100,000	100,000	**100%**	100%	Investment holding
Shanghai Shangpu Investment Fund Management Center LLP (上海上璞股權投資基金管理中心(有限合夥))	23 July 2015	192,030	192,030	**100%**	100%	Investment holding

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Ningbo Gangcheng Business and Trading Co., Ltd. (寧波港程商貿有限公司)	28 February 2014	50,000	50,000	**50%**	50%	Property development
Suzhou Ailide Trade Co., Ltd. (蘇州艾力得貿易有限公司) ("Suzhou Ailide") (c)	8 January 2015	50,000	50,000	**50%**	50%	Hardware and building materials
Ningbo Harbour City Business Management Co., Ltd. (寧波海港城商業管理有限公司)	23 April 2014	1,000	1,000	**50%**	50%	Investment holding
Hangzhou Jingcheng Property Co., Ltd. (杭州景程置業有限公司)	6 November 2017	5,000	5,000	**100%**	100%	Property development
Tianjin Tianrui Investment Development Co., Ltd. (天津天瑞投資發展有限公司)	14 October 2011	30,000	30,000	**70%**	70%	Property development
Ningbo Jingshen Property Co., Ltd. (寧波景申置業有限公司) ("Ningbo Jingshen") (c)	31 May 2016	30,000	30,000	**65%**	65%	Property development
Ningbo Jingjun Property Co., Ltd. (寧波景鈞置業有限公司) ("Ningbo Jingjun")	21 October 2016	10,000	10,000	**100%**	100%	Property development
Ningbo Xiaoyong Investment Co., Ltd. (寧波驍勇投資有限公司) ("Ningbo Xiaoyong")	19 October 2016	10,000	10,000	**100%**	100%	Investment holding
Wuhan Yanzhuo Building Decoration Engineering Co., Ltd. (武漢衍琢裝飾工程有限公司) ("Wuhan Yanzhuo") (c)	27 June 2018	20,000	20,000	**40%**	40%	Property development
Shanghai Xiaoze Investment Co., Ltd. (上海驍澤投資有限公司)	7 May 2014	100,000	100,000	**70%**	70%	Investment holding
Shanghai Linjia Life Development Co., Ltd. (上海鄰加生活企業發展股份有限公司)	23 December 2015	30,000	30,000	**100%**	100%	Property management
Ningbo Xiangjun Investment Co., Ltd. (寧波翔竣投資有限公司) ("Ningbo Xiangjun")	19 October 2016	400,000	400,000	**51%**	51%	Investment holding
Beijing Jingxiu Business Management Centre (Limited Partner) (北京景秀商業管理中心(有限合夥))	12 January 2017	1,000	1,000	**100%**	100%	Property management
Ningbo Meishan Free Trade Port Youyue Investment Co., Ltd. (寧波梅山保稅港區優鉞資產管理有限公司)	23 February 2017	100,000	30,000	**100%**	100%	Investment holding
Ningbo Jingtong Property Co., Ltd. (寧波景通置業有限公司)	23 May 2017	40,000	40,000	**100%**	100%	Property development
Shanghai Ruiyue Hotel Management Co., Ltd. (上海瑞越酒店管理有限公司)	16 March 2017	100,000	40,000	**100%**	100%	Property management
Shanghai Shenxin Real Estate Co., Ltd. (上海申信房地產有限公司)	20 October 1992	10,800	10,800	**nil**	100%	Property management

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Beijing Zhongguan Xinyuan Management LLP (北京中關信苑企業管理有限公司)	8 March 2017	10,000	10,000	**100%**	100%	Property management
Shanghai Hutai Real Estate Development Co., Ltd. (上海滬泰房地產發展有限公司) ("Shanghai Hutai") (a)	16 November 1992	79,475	79,475	**100%**	100%	Property management
Shanghai Zhaoliang Advertising Co., Ltd. (上海兆量廣告有限公司)	7 January 2008	10,000	10,000	**nil**	100%	Property management
Wuhan Yingjin Jiayuan Real Estate Development Co., Ltd. (武漢盈錦嘉園房地產開發有限公司) (" Wuhan Jiayuan") (c)	23 November 2016	60,000	60,000	**40%**	40%	Property development
Hangzhou Ruimeng Hotel Management Co., Ltd. (杭州瑞夢酒店管理有限公司)	27 December 2017	10,000	10,000	**100%**	100%	Property management
Zhongguan Yayuan Enterprise Management Co., Ltd. (北京中關雅苑企業管理有限公司)	9 March 2017	10,000	10,000	**100%**	100%	Property management
Zhongfa Wenchan Property(Wuhan) Co., Ltd. (中法文產置業(武漢)有限公司)	15 June 2017	55,000	55,000	**60%**	60%	Property development
Tianjin Ruihua Real Estate Development Co., Ltd. (天津瑞華房地產開發有限責任公司)	14 February 2018	30,000	30,000	**100%**	100%	Property development
Tianjin Ruisheng Real Estate Development Co., Ltd. (天津瑞盛房地產開發有限公司) ("Tianjin Ruisheng") (a)	7 March 2018	30,000	30,000	**100%**	100%	Property development
Hangzhou Jingqi Corporate Management Consulting Co., Ltd. (杭州景祺企業管理諮詢有限公司) ("Hangzhou Jingqi")	17 May 2018	330,000	330,000	**100%**	100%	Investment holding
Hangzhou Jingsheng Property Co., Ltd. (杭州景勝置業有限公司)	17 May 2018	330,000	330,000	**100%**	100%	Property development
Shanghai Shanding Property Management Co., Ltd. (上海山鼎物業管理有限公司)	7 November 2017	1,000	1,000	**100%**	100%	Property management
Shanghai Shenshi Property Co., Ltd. (上海申實置業有限公司)	28 April 2017	10,000	10,000	**100%**	100%	Property management
Tianjin Ruijun Real Estate Development Co., Ltd. (天津瑞駿房地產開發有限責任公司) ("Tianjin Ruijun")	13 June 2019	337,000	337,000	**51%**	51%	Property development
Ningbo Jingxin Property Co., Ltd. (寧波景心置業有限公司)	12 June 2019	1,222,320	1,092,655	**100%**	100%	Property development
Wuhan Ruiyihongfa Real Estate Development Co., Ltd. (武漢瑞毅弘發房地產開發有限公司) ("Wuhan Ruiyihongfa") (c)	22 July 2019	200,000	200,000	**30%**	30%	Property development

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Hangzhou Juanheng Property Co., Ltd. (杭州雋恒置業有限公司)	22 September 2019	350,000	350,000	**100%**	51%	Property development
Hangzhou Xiaoying Real Estate Development Co., Ltd. (杭州銷穎房地產開發有限公司) ("Hangzhou Xiaoying") (c)	13 January 2011	30,000	30,000	**50%**	50%	Property development
Wuhan Botongshirong Real Estate Development Co., Ltd. (武漢博通世融房地產開發有限公司) ("Wuhan Botongshirong") (c)	22 July 2019	10,000	10,000	**60%**	60%	Property development
Shanghai Jingyao Property Co., Ltd. (上海璟曜置業有限公司)	25 May 2020	285,000	285,000	**100%**	100%	Property development
Chengdu Jingxu Property Co., Ltd. (成都景旭置業有限公司)	13 March 2020	10,000	–	**100%**	100%	Property development
Chongqing Jiuruixin Trading Co., Ltd. (重慶九睿鑫貿易有限責任公司) ("Chongqing Jiuruixin") (a)	23 September 2019	237,969	217,969	**100%**	100%	Property development
Chengdu Jingyu Property Co., Ltd. (成都景煜置業有限公司)	14 April 2020	10,000	10,000	**100%**	100%	Property development
Hangzhou Jinghui Property Co., Ltd. (杭州景暉置業有限公司)	11 June 2020	100,000	100,000	**100%**	100%	Property development
Chongqing Hushenghui Management Consulting Co., Ltd. (重慶滬昇暉企業管理諮詢有限公司)	11 June 2020	10,000	10,000	**100%**	100%	Investment holding
Yangzhou Jingxiao Property Co., Ltd. (揚州景驍置業有限公司) (a)	27 September 2020	20,000	20,000	**100%**	100%	Property development
Wuxi Jingyi Property Co., Ltd. (無錫景屹置業有限公司)	9 September 2020	200,000	200,000	**100%**	100%	Property development
Changzhou Jingrong Property Co., Ltd. (常州景榮置業有限公司)	16 September 2020	20,000	20,000	**100%**	100%	Property development
Chengdu Shijichunqiu Property Co., Ltd. (成都世紀春秋置業有限公司) ("Chengdu Shijichunqiu")	23 July 2014	20,000	20,000	**100%**	100%	Property development
Shanghai Youjing Enterprise Management Co., Ltd (上海優璟企業管理有限公司) ("Shanghai Youjing")	19 November 2020	450,000	450,000	**100%**	60%	Property management
Shanghai Youshou Enterprise Management Co., Ltd (上海優朔企業管理有限公司) ("Shanghai Youshou") (c)	19 November 2020	450,000	450,000	**38%**	38%	Property management

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Chengdu Yaqing Trading Co., Ltd. (成都亞慶貿易有限責任公司) ("Chengdu Yaqing")	28 October 1994	8,800	8,800	**80%**	80%	Property development
Tianjin Ruiming Real Estate Development Co., Ltd. (天津瑞明房地產開發有限公司) (a)	11 November 2020	30,000	30,000	**100%**	100%	Property development
Wuxi Jinghang Consultant Management Co., Ltd. (無錫璟航諮詢管理有限公司) ("Wuxi Jinghang")	13 November 2020	255,000	255,000	**71%**	71%	Investment holding
Changshu Jiangnan Zhongying Real Estate Property Co., Ltd. (常熟市江南中盈房地產置業有限責任公司) ("Jiangnan Zhongying") (a)	2 April 2011	306,200	306,200	**34%**	34%	Property development
Changshu Jiangnan Guotai Real Estate Property Co., Ltd. (常熟市江南國泰房地產置業有限責任公司) ("Jiangnan Guotai") (a)	15 March 2011	400,000	400,000	**34%**	34%	Property development
Shanghai Youkun Management Consulting Co., Ltd. (上海優昆企業管理有限公司) ("Shanghai Youkun") (c)	19 November 2020	450,000	180,000	**64%**	64%	Investment holding
Changshu Junchun Trading Co., Ltd. (常熟駿淳貿易集團有限公司) ("Changshu Junchun") (c)	4 September 2018	500,000	500,000	**34%**	34%	Investment holding
Taicang Jinghui Consulting Co., Ltd. (太倉璟惠諮詢管理有限公司) ("Taicang Jinghui")	1 April 2017	364,000	364,000	**99%**	79%	Investment holding
Hunan Kunpeng Property Service Co., Ltd. (湖南鯤鵬物業服務有限公司) ("Hunan Kunpeng")	31 March 2005	20,000	20,000	**51%**	51%	Property management
Jiangsu Xinxiang Property Co., Ltd. (江蘇欣祥物業有限公司) ("Jiangsu Xinxiang")	25 January 2008	10,000	5,000	**51%**	51%	Property management
Jiaxing Jinghong Property Co., Ltd. (嘉興璟鴻置業有限公司) ("Jiaxing Jinghong") (c)	20 December 2019	300,000	300,000	**40%**	40%	Property development
Ningbo Meishan Free Trade Port Jingkai investment management Co., Ltd. (寧波梅山保稅港區景凱投資管理有限公司) ("Meishan Jingkai")	21 December 2017	410,000	207,750	**100%**	100%	Investment holding
Ningbo Jingcheng Property Co., Ltd. (寧波景程置業有限公司) ("Ningbo Jingcheng") (a)	2 April 2021	5,000	–	**100%**	100%	Property development
Nanjing Caicheng Property Co., Ltd. (南京彩程置業有限公司) ("Nanjing Caicheng")	18 July 2017	100,000	100,000	**100%**	100%	Property development
Wuhan Ruixuan Real Estate Development Co., Ltd. (武漢瑞軒房地產開發有限公司) ("Wuhan Ruixuan") (c)	19 August 2020	10,000	10,000	**60%**	60%	Property development
Suzhou Jinghan Consulting Management Co., Ltd. (蘇州璟翰諮詢管理有限公司) (c)	28 July 2020	100	100	**66%**	63%	Property management

40 Particulars of principal subsidiaries (continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2023	2022	Principal activities
Subsidiaries established in the PRC						
Taicang Jingchen Consulting Management Co., Ltd. (太倉璟辰諮詢管理有限公司) ("Taicang Jingchen")	1 April 2017	135,494	135,494	**100%**	100%	Investment holding
Tianjin Xuming Property Co., Ltd. (天津旭明房地產開發有限公司) ("Tianjin Xuming")	7 December 2015	170,000	170,000	**100%**	100%	Property development
Jiangsu Shengfeng City service Co., Ltd. (江蘇盛豐城市服務有限公司) ("Changshu Shengfeng")	8 August 2014	1,000	1,000	**70%**	70%	Property management
Tianjin Hesheng Real Estate Development Co., Ltd. (天津和勝房地產開發有限公司) ("Tianjin Hesheng")	5 March 2019	170,000	170,000	**100%**	100%	Property development
Jinhua Jingxi Property Co., Ltd. (金華景熙置業有限公司) ("Jinghua Jingxi") (a)	2 July 2021	10,000	–	**100%**	100%	Property development
Wuhan Yaozhitai Property Co., Ltd. (武漢市耀之泰置業有限公司) ("Wuhan Yaozhitai")	7 December 2020	10,000	10,000	**90%**	90%	Property development
Subsidiaries incorporated in Hong Kong						
Jingrui HK Holdings Limited ("EI HK") (b)	25 June 2007	USD10	USD10	**100%**	100%	Property and investment holding
Sincere Paragon Limited	5 February 2013	HKD380,000	HKD380,000	**100%**	100%	Investment holding
Subsidiaries incorporated in BVI						
Faithful Gem Limited	18 September 2013	USD50,000	–	**100%**	100%	Investment holding
Natural Apex Limited	9 January 2013	USD50,000	USD50,000	**100%**	100%	Investment holding

(a) Certain equity interests in the subsidiaries of the Company were pledged for trust financing arrangement as at 31 December 2023 and 2022 (Note 19). For details, please refer to the table below:

	As at 31 December 2023	2022
Percentage of equity interests in Tianjin Ruiming	**100%**	100%
Percentage of equity interests in Tianjin Ruisheng	**100%**	100%
Percentage of equity interests in Ningbo Jingcheng	**100%**	100%
Percentage of equity interests in Jinghua Jingxi	**100%**	100%
Percentage of equity interests in Yangzhou Jingxiao	**100%**	100%
Percentage of equity interests in Shanghai Hutai	**100%**	100%
Percentage of equity interests in Chongqing Jiuruixin	**100%**	100%
Percentage of equity interests in Jiangnan Zhongying	**–**	90%
Percentage of equity interests in Jiangnan Guotai	**–**	90%

40 Particulars of principal subsidiaries (continued)

(b) The companies are investment holding companies without any business other than the holding of 20.3% equity interests in Jingrui Properties. They were acquired by the Group in April 2013 for the purpose of the reorganisation.

(c) As at 31 December 2022, the Group owned 50% equity interests in Suzhou Ailide, 40% equity interests in Wuhan Jiayuan, 40% equity interests in Wuhan Yanzhuo, 30% equity interests in Shanghai Shenran, 30% equity interests in Shanghai Guicui, 50% equity interests in Wuhan Ruiyihongfa, 60% equity interests in Wuhan Ruiyue, 60% equity interests in Wuhan Botongshirong, 60% equity interests in Wuhan Ruiqian, 60% equity interests in Wuhan Ruixuan, 40% equity interests in Jiaxing Jinghong, 34% equity interests in Changshu Junchun, 50% equity interests in Hangzhou Xiaoying, 65% equity interests in Shanghai Xiaoyi, 65% equity interests in Ningbo Jingshen, 64% equity interests in Shanghai Youkun, 38% equity interests in Shanghai Youshuo and 66% equity interests in Suzhou Jinghan.

The directors of the Group consider that the Group has effective control over the above-mentioned companies, because according to agreements between the Group and other shareholders of these companies, other shareholders of these companies follow the Group on all substantive decision on the operating and financing policies during the life of these companies.

(d) Summarised financial information on subsidiaries with non-controlling interests material to the Group.

The non-controlling interests of the Group are as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Non-controlling interests for		
– Ningbo Xiangjun	**17,160**	16,800
– Wuhan Ruiqian	**71,616**	69,180
– Wuhan Jiayuan	**633,297**	713,534
– Shanghai Guicui	**699,994**	699,995
– Shanghai Shenran	**699,994**	699,995
– Tianjin Ruijun	**169,955**	170,730
– Wuhan Yanzhuo	**143,679**	143,667
– Taicang Jinghui	**3,460**	73,936
– Shanghai Huajiang	**64,247**	65,495
– Jiaxing Jinghong	**219,119**	327,856
– Changshu Junchun	**447,507**	483,327
– Wuxi Jinghang	**62,253**	66,232
– Shanghai Youkun	**142,989**	146,035
– Shanghai Youshuo	**194,496**	194,496
– Shanghai Youjing	**–**	177,295
– Suzhou Jinghan	**143,148**	157,052
– Other subsidiaries	**339,301**	399,400
	4,052,215	4,605,025

40 Particulars of principal subsidiaries (continued)

Set out below are the summarised financial information for the subsidiaries including Wuhan Jiayuan, Changshu Junchun, Shanghai Shenran, Shanghai Guicui and Wuhan Yanzhuo that have non-controlling interests that are material to the Group, and the information below is the amounts before inter-company eliminations.

Summarised balance sheet

	Wuhan Jiayuan As at 31 December		Changshu Junchun As at 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current				
Assets	**3,492,305**	4,378,419	**4,159,893**	4,086,450
Liabilities	**(2,200,518)**	(3,242,385)	**(3,512,435)**	(3,389,809)
Total current net assets	**1,291,787**	1,136,034	**647,458**	696,641
Non-current				
Assets	**16,708**	53,190	**37,312**	42,401
Liabilities	**(253,000)**	–	**(6,728)**	(6,728)
Total non-current net (liabilities)/assets	**(236,292)**	53,190	**30,584**	35,673
Net assets	**1,055,495**	1,189,224	**678,042**	732,314

	Shanghai Shenran As at 31 December		Shanghai Guicui As at 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current				
Assets	**1,135,998**	1,135,999	**999,991**	999,992
Liabilities	**(136,007)**	(136,007)	**–**	–
Total current net assets	**999,991**	999,992	**999,991**	999,992
Non-current				
Assets	**–**	–	**–**	–
Liabilities	**–**	–	**–**	–
Total non-current net assets	**–**	–	**–**	–
Net assets	**999,991**	999,992	**999,991**	999,992

40 Particulars of principal subsidiaries (continued)

Summarised balance sheet (continued)

	Wuhan Yanzhuo As at 31 December	
	2023	2022
	RMB'000	RMB'000
Current		
Assets	327,338	330,061
Liabilities	(87,873)	(90,616)
Total current net assets	239,465	239,445
Non-current		
Assets	–	–
Liabilities	–	–
Total non-current net assets	–	–
Net assets	239,465	239,445

Summarised statement of comprehensive income

	Wuhan Jiayuan Year ended 31 December		Changshu Junchun Year ended 31 December	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	903,094	52,364	703,950	317,029
Loss before income tax	(83,716)	(21,311)	(60,351)	(15,287)
Income tax (expense)/credit	(50,013)	(1,279)	6,079	1,737
Post-tax loss	(133,729)	(22,590)	(54,272)	(13,550)
Other comprehensive income	–	–	–	–
Total comprehensive loss	(133,729)	(22,590)	(54,272)	(13,550)
Loss allocated to non-controlling interests	(80,237)	(13,554)	(35,820)	(8,943)

40 Particulars of principal subsidiaries (continued)

Summarised statement of comprehensive income (continued)

	Shanghai Shenran Year ended 31 December		Shanghai Guicui Year ended 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Revenue	**–**	–	**–**	–
Loss before income tax	**(1)**	(1)	**(1)**	(1)
Income tax expense	**–**	–	**–**	–
Post-tax loss	**(1)**	(1)	**(1)**	(1)
Other comprehensive income	**–**	–	**–**	–
Total comprehensive loss	**(1)**	(1)	**(1)**	(1)
Loss allocated to non-controlling interests	**(1)**	–	**(1)**	(1)

	Wuhan Yanzhuo Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue	**–**	1,100
Profit/(loss) before income tax	**20**	(1,007)
Income tax expense	**–**	–
Post-tax profit/(loss)	**20**	(1,007)
Other comprehensive income	**–**	–
Total comprehensive income/(loss)	**20**	(1,007)
Profit/(loss) allocated to non-controlling interests	**12**	(604)

40 Particulars of principal subsidiaries (continued)

Summarised cash flow statement

	Wuhan Jiayuan Year ended 31 December		Changshu Junchun Year ended 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Net cash (used in)/generated from operating activities	**(68,209)**	238,825	**(56,195)**	497,335
Net cash generated from investing activities	**–**	–	**109**	–
Net cash generated from/(used in) financing activities	**56,721**	(304,203)	**(71,385)**	(482,377)
Net (decrease)/increase in cash and cash equivalents	**(11,488)**	(65,378)	**(127,471)**	14,958
Cash and cash equivalents at beginning of the year	**70,928**	136,306	**182,623**	167,665
Cash and cash equivalents at end of the year	**59,440**	70,928	**55,152**	182,623

	Shanghai Shenran Year ended 31 December		Shanghai Guicui Year ended 31 December	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
Net cash (used in)/generated from operating activities	**(1)**	(1)	**(1)**	1
Net cash generated from investing activities	**–**	–	**–**	–
Net cash generated from financing activities	**–**	–	**–**	–
Net (decrease)/increase in cash and cash equivalents	**(1)**	(1)	**(1)**	1
Cash and cash equivalents at beginning of the year	**2**	3	**2**	1
Cash and cash equivalents at end of the year	**1**	2	**1**	2

	Wuhan Yanzhuo For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Net cash used in operating activities	**(89)**	(838)
Net cash generated from investing activities	**–**	–
Net cash used in financing activities	**–**	–
Net decrease in cash and cash equivalents	**(89)**	(838)
Cash and cash equivalents at beginning of the year	**93**	931
Cash and cash equivalents at end of the year	**4**	93

41 Balance sheet and reserve movements of the Company

Balance sheet of the Company

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	**2,659,129**	2,800,393
Financial assets at fair value through profit or loss	**159,175**	210,841
	2,818,304	3,011,234
Current assets		
Amounts due from subsidiaries	**5,252,521**	5,247,683
Cash at bank and on hand	**436**	38,558
Trade and other receivables and prepayments	**225,449**	202,645
Financial assets at fair value through profit or loss	**22,098**	22,563
	5,500,504	5,511,449
Total assets	**8,318,808**	8,522,683
OWNERS' EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	**87,813**	87,813
Reserves (note (a))	**(5,855,960)**	(4,860,743)
Total equity	**(5,768,147)**	(4,772,930)
LIABILITIES		
Non-current liabilities		
Borrowings	**–**	1,148,781
Current liabilities		
Trade and other payables	**1,791,135**	1,217,096
Amounts due to subsidiaries	**2,396,896**	2,390,897
Amounts due to a related party	**18,124**	15,298
Borrowings	**9,880,800**	8,523,541
	14,086,955	12,146,832
Total liabilities	**14,086,955**	13,295,613
Total equity and liabilities	**8,318,808**	8,522,683

The balance sheet of the Company was approved by the Board of Directors on 28 March 2024 and was signed on its behalf by:

Yan Hao
Director

Chen Chao
Director

41 Balance sheet and reserve movements of the Company (continued)

(a) Reserve movements of the Company

	Share premium RMB'000	Treasury shares RMB'000	Share award scheme RMB'000	Share option scheme RMB'000	Contributed surplus RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2023	**424,007**	**(4,333)**	**88,311**	**3,197**	**1,115,742**	**(2,364)**	**(6,485,303)**	**(4,860,743)**
Comprehensive income/(loss)								
Loss for the year 2023	**–**	**–**	**–**	**–**	**–**	**–**	**(995,217)**	**(995,217)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive loss for the year 2023	**–**	**–**	**–**	**–**	**–**	**–**	**(995,217)**	**(995,217)**
Transactions with owners								
Share award scheme (Note 31)	**–**	**4,333**	**(4,333)**	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2023	**424,007**	**–**	**83,978**	**3,197**	**1,115,742**	**(2,364)**	**(7,480,520)**	**(5,855,960)**
Balance at 1 January 2022	424,007	(6,215)	89,482	3,197	1,115,742	(2,364)	(4,459,537)	(2,835,688)
Comprehensive income/(loss)								
Loss for the year 2022	–	–	–	–	–	–	(2,025,766)	(2,025,766)
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive loss for the year 2022	–	–	–	–	–	–	(2,025,766)	(2,025,766)
Transactions with owners								
Share award scheme (Note 31)	–	1,882	(1,171)	–	–	–	–	711
Balance at 31 December 2022	424,007	(4,333)	88,311	3,197	1,115,742	(2,364)	(6,485,303)	(4,860,743)

42 Events after the reporting period

Save as disclosed below, there is no other material subsequent event undertaken by the Group after 31 December 2023.

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 Due January 2024 matured, the outstanding principal and interest have not been paid, the Notes Due January 2024 were delisted from the Stock Exchange. Further details of maturity and delisting of the Notes Due January 2024 are disclosed in the Company's announcement dated 25 January 2024.

43 Authorisation for issue of the financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 28 March 2024.

Five-Year Financial Information

1 Key data of income statement

	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	**2023 RMB'000**
Revenue	13,285,127	12,782,429	13,551,644	7,907,906	**7,294,475**
Cost of sales	(10,599,949)	(10,278,382)	(11,111,689)	(7,792,740)	**(6,830,159)**
Gross profit	2,685,178	2,504,047	2,439,955	115,166	**464,316**
Fair value (losses)/gains of investment properties under capital platform	(21,474)	56,687	37,908	(175,252)	**(100,298)**
Fair value gains/(losses) on investment properties under other platform	96,022	(17,000)	1,000	–	**(6,000)**
Selling and marketing costs	(385,575)	(522,334)	(580,343)	(560,455)	**(320,980)**
Administrative expenses	(606,562)	(664,564)	(650,866)	(922,511)	**(310,838)**
Other income	158,470	223,121	20,574	20,210	**16,049**
Other gains/(losses) – net	146,740	327,373	196,213	(623,219)	**(453,969)**
Operating profit/(loss)	2,072,799	1,907,330	1,464,441	(2,146,061)	**(711,720)**
Finance income	261,507	1,013,552	590,338	299,290	**17,052**
Finance costs	(526,987)	(752,519)	(859,158)	(2,129,418)	**(915,504)**
Finance (costs)/income – net	(265,480)	261,033	(268,820)	(1,830,128)	**(898,452)**
Share of results of joint ventures	170,409	40,609	(189,355)	(82,859)	**(111,518)**
Share of results of associates	172,148	130,034	33,992	(32,393)	**6,178**
Profit/(loss) before income tax	2,149,876	2,339,006	1,040,258	(4,091,441)	**(1,715,512)**
Income tax expense	(864,866)	(1,065,502)	(646,445)	(186,439)	**(125,819)**
Profit/(loss) for the year	1,285,010	1,273,504	393,813	(4,277,880)	**(1,841,331)**
Attributable to:					
Equity holders of the Company	903,591	958,092	127,543	(4,269,792)	**(1,721,220)**
Non-controlling interests	381,419	315,412	266,270	(8,088)	**(120,111)**
	1,285,010	1,273,504	393,813	(4,277,880)	**(1,841,331)**

2 Key data of financial position

	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	**2023 RMB'000**
Total non-current assets	11,831,982	12,108,187	11,097,427	10,204,815	**9,049,531**
Total current assets	40,531,207	56,211,056	52,152,316	36,905,029	**30,458,029**
Total assets	52,363,189	68,319,243	63,249,743	47,109,844	**39,507,560**
Total non-current liabilities	11,099,251	13,858,588	13,001,227	6,280,466	**5,597,115**
Total current liabilities	32,157,188	43,163,789	39,011,524	34,430,681	**29,705,622**
Total liabilities	43,256,439	57,022,377	52,012,751	40,711,147	**35,302,737**
Total equity attributable to:					
Equity holders of the Company	5,306,836	6,166,547	6,038,491	1,793,672	**152,608**
Non-controlling interests	3,799,914	5,130,319	5,198,501	4,605,025	**4,052,215**
Total equity	9,106,750	11,296,866	11,236,992	6,398,697	**4,204,823**

景瑞控股
JINGRUI HOLDINGS