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## JY GRANDMARK HOLDINGS LIMITED

景業名邦集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 2231)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of JY Grandmark Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2025 (the “**Period under Review**”) together with the comparative figures for the corresponding period of the preceding financial year as follows:

#### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
		RMB'000	RMB'000
Revenue	2	425,164	2,304,025
Cost of sales	3	(394,700)	(2,090,320)
<b>Gross profit before impairment losses on completed properties held for sale and properties under development</b>		<b>30,464</b>	213,705
Net impairment losses on completed properties held for sale and properties under development	3	(73,653)	(165,805)
<b>Gross (loss)/profit after impairment losses on completed properties held for sale and properties under development</b>		<b>(43,189)</b>	47,900
Selling and marketing expenses	3	(29,368)	(110,093)
Administrative expenses	3	(20,619)	(36,677)
Net impairment losses on financial assets		(64,112)	(64,556)
Other income		8,109	499
Other expenses		(191)	(414)
Other gains/(losses) – net	4	31,593	(10,764)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating loss</b>		<b>(117,777)</b>	<b>(174,105)</b>
Finance costs	5	<b>(45,651)</b>	(17,736)
Finance income	5	<b>201</b>	767
Finance costs – net	5	<b>(45,450)</b>	(16,969)
Share of profit of investments accounted for using the equity method		<b>236</b>	434
<b>Loss before income tax</b>		<b>(162,991)</b>	<b>(190,640)</b>
Income tax (expense)/credit	6	<b>(27,606)</b>	8,262
<b>Loss for the period</b>		<b>(190,597)</b>	<b>(182,378)</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(142,604)</b>	(262,941)
Non-controlling interests		<b>(47,993)</b>	80,563
		<b>(190,597)</b>	<b>(182,378)</b>
<b>Other comprehensive income/(loss) for the period</b>			
Item that may be reclassified to profit or loss			
– Currency translation differences		<b>28,112</b>	(13,268)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>28,112</b>	(13,268)
<b>Total comprehensive loss for the period</b>		<b>(162,485)</b>	<b>(195,646)</b>
<b>Total comprehensive (loss)/profit attributable to:</b>			
Owners of the Company		<b>(114,492)</b>	(276,209)
Non-controlling interests		<b>(47,993)</b>	80,563
		<b>(162,485)</b>	<b>(195,646)</b>
<b>Loss per share (expressed in RMB per share)</b>			
– Basic and diluted loss per share	7	<b>(0.09)</b>	(0.16)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		210,710	216,419
Right-of-use assets		82,142	84,612
Investment properties		31,200	50,200
Intangible assets		1,645	1,964
Other receivables	9	11,189	11,306
Deferred income tax assets		231,699	230,467
Investments accounted for using the equity method		525	739
		<u>569,110</u>	<u>595,707</u>
<b>Current assets</b>			
Inventories		498	515
Contract costs		65,673	64,633
Properties under development		2,865,239	2,805,918
Completed properties held for sale		1,650,519	2,178,066
Trade and other receivables and prepayments	9	869,034	961,806
Prepaid taxes		206,104	199,114
Restricted cash		87,379	133,757
Cash and cash equivalents		41,015	21,175
		<u>5,785,461</u>	<u>6,364,984</u>
Asset classified as held for sale		<u>–</u>	<u>6,049</u>
		<u>5,785,461</u>	<u>6,371,033</u>
<b>Total assets</b>		<u><b>6,354,571</b></u>	<u><b>6,966,740</b></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	10	14,746	14,746
Other reserves		1,200,066	1,171,954
Accumulated losses		(1,642,748)	(1,500,144)
		(427,936)	(313,444)
<b>Non-controlling interests</b>		<u><b>1,380,808</b></u>	<u><b>1,428,801</b></u>
<b>Total equity</b>		<u><b>952,872</b></u>	<u><b>1,115,357</b></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*(Continued)*

	<i>Notes</i>	As at <b>30 June 2025 Unaudited RMB'000</b>	As at 31 December 2024 Audited RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>320,067</b>	294,883
Bank and other borrowings		–	580,000
Lease liabilities		<b>63,136</b>	63,704
		<u><b>383,203</b></u>	<u>938,587</u>
<b>Current liabilities</b>			
Bank and other borrowings		<b>3,296,462</b>	2,672,539
Trade and other payables	<i>11</i>	<b>1,099,654</b>	1,448,333
Contract liabilities		<b>255,327</b>	419,514
Lease liabilities		<b>10,539</b>	9,677
Current income tax liabilities		<b>356,514</b>	362,733
		<u><b>5,018,496</b></u>	<u>4,912,796</u>
<b>Total liabilities</b>		<u><b>5,401,699</b></u>	<u>5,851,383</u>
<b>Total equity and liabilities</b>		<u><b>6,354,571</b></u>	<u>6,966,740</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial information has been prepared in accordance with HKAS 34 “Interim Financial Reporting”. The interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

#### (a) Going concern basis

For the six months ended 30 June 2025, the Group recorded a net loss of RMB191 million. As at 30 June 2025, the Group had total bank and other borrowings of RMB3,296 million, which were classified as current bank and other borrowings repayable within 12 months, while the Group’s cash and cash equivalents amounted to RMB41 million.

As at 30 June 2025, certain borrowings whose principal amounts of RMB604 million and interest payables of RMB45 million, relating to borrowings with a total principal amount of RMB736 million, were overdue (the “**Defaulted Borrowings**”). As a result of such default, the principal amount of borrowings of RMB1,038 million, were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of RMB1,774 million would be immediately repayable if requested by the lenders.

The Defaulted Borrowings included a loan with an outstanding principal amount of approximately RMB56 million granted by Bank of China, Zhaoqing Branch\* (中國銀行肇慶支行, hereinafter the “**Zhaoqing Lender**”) to Zhaoqing Jingyue Technology Development Co., Ltd.\* (肇慶市景悅科技發展有限公司, an indirect wholly-owned subsidiary of the Company, hereinafter “**Zhaoqing Jingyue**”). Court proceedings have been initiated by the Zhaoqing Lender against Zhaoqing Jingyue for recovering the outstanding indebtedness. As at the date of this announcement, the first-instance trial has commenced and the Zhaoqing Lender and Zhaoqing Jingyue were in the process of negotiation pursuant to the recommendation of the court.

Subsequent to 30 June 2025, the Group failed to settle certain borrowings with aggregated principal amount of RMB774 million (the “**Subsequent Defaulted Borrowings**”) out of which RMB736 million also form part of the Defaulted Borrowings mentioned above.

Due to the slow down of Mainland China property market in first half of 2025, the Group’s operations had experienced a decline in the business of property development and sales. The pre-sales and sales volumes, amounts and collection of pre-sale and sales proceeds continue to decrease which failed to meet management’s expectation for the six months ended 30 June 2025.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed construction cost payable for the projects which have properties sold under pre-sale arrangement that is scheduled to delivery to the customers within next twelve months.

All of the above events and conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The following plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position:

- (i) In respect of borrowings, the Group has been actively negotiating with all the lenders of the Defaulted Borrowings for renewal and extension for repayments of the remaining Defaulted Borrowings. The Directors are confident that the lenders (other than Zhaoqing Lender) will likely not exercise their rights to demand the Group's immediate repayment of the borrowings. Separately, the management of the Company has been working closely with its advisers and is engaged in ongoing discussion with the creditors of the Company to formulate a debt restructuring plan;
- (ii) In January 2025, the Group successfully exchanged its senior notes with an aggregate principal amount of US\$159 million (equivalent to RMB1,145 million) due 9 January 2025 with a newly issued senior note amounted to US\$174 million due on 6 January 2026 (the “**New Senior Notes**”). During the six months ended 30 June 2025, the Group successfully obtained written waiver from the lenders of New Senior Notes to waive the section of defaults and/or events of default of the New Senior Notes;
- (iii) The Group will continue to actively adjust pre-sales and sales activities to better respond to market needs, and make efforts to achieve the latest budgeted pre-sales and sales volumes and amounts. The Group will also continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of outstanding sales proceeds;
- (iv) As at 30 June 2025, the Group's restricted cash amounted to RMB87 million, which mainly represented the restricted pre-sale proceeds in designated bank accounts and can be used to settle certain construction payables or project loans subject to the approval of the local State-Owned Land and Resource Bureau. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, and that the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule as planned, so that the Group is able to release restricted cash to meet its other financial obligations; and
- (v) The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure. The Group would pay attention to changes in the financing market and policies and promote or add new financing as appropriate; regularly take stock of and update the Group's asset position to ensure clear and complete financing resources. The Group would also seek assistance from the government to obtain diversified financing and deconsolidation methods.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2025. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2025. Accordingly, the Directors consider that it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through:

- (i) Successful negotiations with the Group's existing lenders in respect of the borrowings, including the syndicated loan, that were either in default or otherwise in cross default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;
- (ii) Continuous compliance the terms and conditions of the bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain wavier or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;
- (iii) Successful and timely extension and renewal of its bank and other borrowings and the New Senior Notes, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;
- (iv) Successfully adjust pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;
- (v) Successful completion and delivery of properties to the customers on schedule such that restricted pre-sale proceeds in the designated bank accounts will be released to meet its other financial obligations as planned; and
- (vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

Should the Group be unable to continue 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 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 this interim condensed consolidated financial information.

**(b) Changes in accounting policies**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except the adoption of new and amended standards and interpretation as described below.

**(i) New and amended standards and interpretation adopted by the Group**

Amendments to HKAS 21

Lack of Exchangeability

The adoption of new and amended standards and interpretation did not have any material impact on the interim financial information.

(ii) **New standards and amendments not yet adopted**

The following new standards and amendments have been published that are no mandatory for the six months ended 30 June 2025 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

**2. REVENUE AND SEGMENT INFORMATION**

**(a) Description of segments and principal activities**

The executive directors, as the chief operating decision-maker (the “**CODM**”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is organised into four business segments: property development and sales, commercial property investment, hotel operations and property management.

As the CODM considers most of the Group’s consolidated revenue and results are attributable to the market in the PRC, and the Group’s consolidated non-current assets are substantially located in the PRC, no geographical information is presented.



**(b) Segment performance**

The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2025 is as follows:

	Property development and sales Unaudited RMB'000	Commercial property investment Unaudited RMB'000	Hotel operations Unaudited RMB'000	Property management Unaudited RMB'000	Total Unaudited RMB'000
Segment revenue	384,309	–	17,601	26,647	428,557
Recognised at a point in time	384,309	–	–	–	384,309
Recognised over time	–	–	17,601	26,647	44,248
Revenue from other sources: rental income	–	3,980	–	–	3,980
Inter-segment revenue	–	(3,481)	(329)	(3,563)	(7,373)
Revenue from external customers	384,309	499	17,272	23,084	425,164
Gross profit/(loss) before impairment losses on completed properties held for sale and properties under development	24,588	215	(426)	6,087	30,464
Net impairment losses on completed properties held for sale and properties under development	(73,653)	–	–	–	(73,653)
Gross (loss)/profit after impairment losses on completed properties held for sale and properties under development	(49,065)	215	(426)	6,087	(43,189)
Selling and marketing expenses					(29,368)
Administrative expenses					(20,619)
Net impairment losses on financial assets					(64,112)
Other income					8,109
Other expenses					(191)
Other gains – net					31,593
Finance costs – net					(45,450)
Share of profit of investments accounted for using the equity method	236	–	–	–	236
Loss before income tax					(162,991)
Income tax expense					(27,606)
Loss for the period					(190,597)
Depreciation and amortisation recognised as expenses	4,449	–	4,025	98	8,572

The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2024 is as follows:

	Property development and sales Unaudited RMB'000	Commercial property investment Unaudited RMB'000	Hotel operations Unaudited RMB'000	Property management Unaudited RMB'000	Total Unaudited RMB'000
Segment revenue	2,250,430	–	33,698	31,481	2,315,609
Recognised at a point in time	2,250,430	–	–	–	2,250,430
Recognised over time	–	–	33,698	31,481	65,179
Revenue from other sources: rental income	–	5,483	–	–	5,483
Inter-segment revenue	–	(2,553)	(139)	(14,375)	(17,067)
Revenue from external customers	2,250,430	2,930	33,559	17,106	2,304,025
Gross profit before impairment losses on completed properties held for sale and properties under development	204,212	2,709	3,258	3,526	213,705
Net impairment losses on completed properties held for sale and properties under development	(165,805)	–	–	–	(165,805)
Gross profit after impairment losses on completed properties held for sale and properties under development	38,407	2,709	3,258	3,526	47,900
Selling and marketing expenses					(110,093)
Administrative expenses					(36,677)
Net impairment losses on financial assets					(64,556)
Other income					499
Other expenses					(414)
Other losses – net					(10,764)
Finance costs – net					(16,969)
Share of profit of investments accounted for using the equity method	434	–	–	–	434
Loss before income tax					(190,640)
Income tax credit					8,262
Loss for the period					(182,378)
Depreciation and amortisation recognised as expenses	8,021	–	7,752	139	15,912
Fair value losses on investment properties – net	–	(8,310)	–	–	(8,310)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the interim condensed consolidated statement of comprehensive income.

The segment assets and liabilities provided to the executive Directors for the reportable segments as at 30 June 2025 is as follows:

	Property development and sales Unaudited RMB'000	Commercial property investment Unaudited RMB'000	Hotel operations Unaudited RMB'000	Property management Unaudited RMB'000	Total Unaudited RMB'000
Segment assets	5,999,667	32,810	77,816	12,579	6,122,872
Segment assets include:					
Investments accounted for using the equity method	525	–	–	–	525
Additions to non-current assets (other than financial assets and deferred income tax assets)	1,064	–	2	–	1,066
Segment liabilities	1,304,555	9,458	83,143	31,500	1,428,656

The segment assets and liabilities provided to the executive Directors for the reportable segments as at 31 December 2024 is as follows:

	Property development and sales Audited RMB'000	Commercial property investment Audited RMB'000	Hotel operations Audited RMB'000	Property management Audited RMB'000	Total Audited RMB'000
Segment assets	6,571,329	60,558	81,039	23,347	6,736,273
Segment assets include:					
Investments accounted for using the equity method	739	–	–	–	739
Additions to non-current assets (other than financial assets and deferred income tax assets)	15	–	77	26	118
Segment liabilities	1,819,357	14,873	82,700	24,298	1,941,228

For the six months ended 30 June 2025, 1 single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue (for the six months ended 30 June 2024: nil).

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

(i) *Segment assets*

The amounts provided to the executive Directors with respect to segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group's deferred income tax assets are not considered to be segment assets but rather are managed on a central basis.

Segment assets are reconciled to total assets as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Segment assets	6,122,872	6,736,273
Unallocated:		
– Deferred income tax assets	231,699	230,467
Total assets	<u>6,354,571</u>	<u>6,966,740</u>

(ii) *Segment liabilities*

The amounts provided to the executive Directors with respect to segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's current and deferred income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

Segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Segment liabilities	1,428,656	1,941,228
Unallocated:		
– Current income tax liabilities	356,514	362,733
– Deferred income tax liabilities	320,067	294,883
– Short-term borrowings and current portion of long-term borrowings	3,296,462	2,672,539
– Long-term borrowings	–	580,000
Total liabilities	<u>5,401,699</u>	<u>5,851,383</u>

### 3. EXPENSES BY NATURE

Expenses by nature included in cost of sales, selling and marketing expenses, administrative expenses and net impairment losses on completed properties held for sale and properties under development are analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net impairment losses on completed properties held for sale and properties under development	<b>73,653</b>	165,805
Cost of properties sold – including construction cost, land cost and interest cost	<b>361,194</b>	2,014,827
Employee benefit expenses (including directors' emoluments)	<b>32,743</b>	43,656
Employee benefit expenditure – including directors' emoluments	<b>36,597</b>	48,895
Less: capitalised in properties under development	<b>(3,854)</b>	(5,239)
Commission fees	<b>24,119</b>	96,380
Hotel operations expenses	<b>6,227</b>	21,291
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	<b>8,572</b>	15,912
Advertising costs	<b>1,648</b>	5,034
Entertainment expenses	<b>1,243</b>	1,936
Taxes and levies	<b>2,489</b>	26,605
Professional consulting fees	<b>1,694</b>	356
Office and travelling expenses	<b>1,053</b>	2,082
Auditor's remuneration	<b>140</b>	518
Others	<b>3,565</b>	8,493
Total	<b>518,340</b>	2,402,895

### 4. OTHER GAINS/(LOSSES) – NET

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Reversal of legal expenses related to the compulsory auction of a building	<b>32,958</b>	–
Gains on disposals of investment properties and property, plant and equipment	<b>218</b>	163
Fair value losses on investment properties	<b>–</b>	(8,310)
Loss on disposal of an associate	<b>(300)</b>	–
Gain on disposal of a subsidiary	<b>702</b>	–
Net foreign exchange losses	<b>(1,985)</b>	(2,617)
	<b>31,593</b>	(10,764)

## 5. FINANCE COSTS – NET

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	RMB'000
Finance costs		
– Interest expense on bank and other borrowings	119,624	134,231
– Interest expense on leases	1,599	3,266
– Net exchange losses/(gains) on foreign currency borrowings	12,603	(2,169)
Less:		
– Interest capitalised	(88,175)	(117,592)
	<u>45,651</u>	<u>17,736</u>
Finance income		
– Interest income from bank deposits	(201)	(767)
Finance costs – net	<u>45,450</u>	<u>16,969</u>

## 6. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	RMB'000
Current income tax:		
– Corporate income tax	976	1,182
– Land appreciation tax	2,561	4,620
	<u>3,537</u>	<u>5,802</u>
Deferred income tax:		
– Corporate income tax	24,069	(14,064)
	<u>27,606</u>	<u>(8,262)</u>

### (a) PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group entities located in Mainland China is 25%.

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate can be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings out of the Mainland China in the foreseeable future.

**(b) PRC land appreciation tax (“LAT”)**

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate, except for certain group companies which calculate the LAT based on deemed tax rates in accordance with the approved taxation method obtained from tax authorities.

**(c) Overseas income tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company’s subsidiaries in the British Virgin Islands were incorporated under the BVI Business Companies Act of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

**(d) Hong Kong profits tax**

No provision for Hong Kong profits tax has been made in this interim condensed consolidated financial information as the Group’s companies did not have assessable profit in Hong Kong for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

**7. LOSS PER SHARE**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>Unaudited</b>	Unaudited
Loss attribute to owners of the Company (RMB’000)	<b>(142,604)</b>	(262,941)
Weighted average number of ordinary shares in issue (in thousand)	<b>1,646,173</b>	1,646,173
Loss per share – basic (RMB per share)	<b>(0.09)</b>	(0.16)
Loss per share – diluted (RMB per share)	<b>(0.09)</b>	(0.16)

The Company had no dilutive potential shares in issue, thus the diluted loss per share equals the basic loss per share.

## 8. DIVIDEND

The Board has resolved not to declare the payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

## 9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
<b>Included in current assets:</b>		
Trade receivables – third parties ( <i>Note (a)</i> )	42,806	40,878
Trade receivables – related parties ( <i>Note (a)</i> )	97	97
Other receivables – third parties ( <i>Note (b)</i> )	395,377	447,730
Other receivables – non-controlling interests ( <i>Note (b)</i> )	332,901	323,579
Other receivables – related parties ( <i>Note (b)</i> )	56,260	56,260
Prepayments for acquisition of land use rights	202,561	202,561
Other prepayments	86,280	75,363
	<u>1,116,282</u>	<u>1,146,468</u>
Less: impairment	(236,059)	(173,356)
	<u>880,223</u>	<u>973,112</u>
Less: non-current portion	(11,189)	(11,306)
	<u>869,034</u>	<u>961,806</u>

As at 30 June 2025 and 31 December 2024, the fair value of trade and other receivables approximated their carrying amounts.

### (a) Details of trade receivables are as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Trade receivables – third parties	42,806	40,878
Trade receivables – related parties	97	97
Less: allowance for impairment	(36,251)	(22,273)
	<u>6,652</u>	<u>18,702</u>
Trade receivables – net	<u>6,652</u>	<u>18,702</u>



Ageing analysis of trade receivables based on invoice date is as follows:

	As at <b>30 June 2025</b> <b>Unaudited</b> <i>RMB'000</i>	As at 31 December 2024 Audited <i>RMB'000</i>
Within 1 year	<b>10,861</b>	19,502
Over 1 year	<b>32,042</b>	21,473
	<b>42,903</b>	40,975

Trade receivables mainly arise from rental income, provision of construction services, hotel operations and property management services. Proceeds from sale of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2025, a provision of RMB36,251,000 was made against the gross amounts of trade receivables (31 December 2024: RMB22,273,000).

**(b) Details of other receivables are as follows:**

	As at <b>30 June 2025</b> <b>Unaudited</b> <i>RMB'000</i>	As at 31 December 2024 Audited <i>RMB'000</i>
Deposits for acquisition of land use rights	<b>205,310</b>	262,373
Other receivables due from non-controlling interests	<b>332,901</b>	323,579
Other receivables due from related parties	<b>56,260</b>	56,260
Others	<b>190,067</b>	185,357
	<b>784,538</b>	827,569
Less: allowance for impairment	<b>(199,808)</b>	(151,083)
Other receivables – net	<b>584,730</b>	676,486

## 10. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Total
<b>Authorised</b>				
As at 30 June 2025 (Unaudited) and 31 December 2024 (Audited)	<u>2,500,000,000</u>			
<b>Issued and fully paid</b>				
As at 30 June 2025 (Unaudited) and 31 December 2024 (Audited)	<u>1,646,173,000</u>	<u>HK\$16,462,000</u>	<u>RMB14,746,000</u>	<u>RMB14,746,000</u>

## 11. TRADE AND OTHER PAYABLES

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Trade payables ( <i>Note (a)</i> )	688,474	889,690
Amounts due to non-controlling interests and their related parties	48,736	55,303
Outstanding consideration payables for acquisitions	22,440	22,440
Deposits payable	12,610	15,784
Factoring of trade payables	49,488	56,638
Accrued expenses	58,327	34,379
Salaries payable	13,574	13,608
Other taxes payable	91,133	90,041
Other payable due to a related party	105,659	220,319
Other payables	<u>9,213</u>	<u>50,131</u>
	<u>1,099,654</u>	<u>1,448,333</u>

(a) Ageing analysis of trade payables based on recognition dates is as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Within 90 days	20,043	250,003
Over 90 days and within 365 days	68,370	210,757
Over 365 days	<u>600,061</u>	<u>428,930</u>
	<u>688,474</u>	<u>889,690</u>

## CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of JY Grandmark Holdings Limited (“**JY Grandmark**” or the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”), I wish to present the consolidated results review and prospects of the Group for the half year ended 30 June 2025 to the shareholders of the Company (the “**Shareholders**”).

## RESULTS REVIEW

In the first half of 2025, the global economic growth slowed down further amid complex and volatile international environment. Facing dual pressures – sustained external constraints from lingering external instability and uncertainties, and the ongoing deepening of internal structural economic adjustments – China’s economy maintained stable in the first half of the year by relying on proactive macro-control policies.

During the first half of 2025, the domestic real estate market in mainland China remained sluggish, with the transmission effect of accommodative policies showing signs of marginal weakening. The superposition of structural factors such as market bottoming and transformation led the real estate market to be in a seesaw between stall-like fluctuations and slow recovery.

Faced with the complex economic environment and unexpected structural adjustments in the industry, JY Grandmark has proactively responded to challenges despite operational difficulties and survival pressures. It adhered to the primary goal of “securing operation, ensuring delivery and resolving risks”, flexibly adjusted its business strategies, and took the initiative to optimise its business structure. This was to minimise the impact of the market environment on business operations, create opportunities for survival and development, and make every effort to preserve value for all stakeholders.

During the Period under Review, the Group achieved a contracted sales amount of approximately RMB210.4 million, representing a year-on-year decrease of 35%; a contracted sales gross floor area of approximately 52,000 square meters, representing a year-on-year increase of 48.6%; and recognised revenue of RMB425.2 million, representing a year-on-year decrease of 81.5%. Loss for the period was RMB190.6 million, and loss attributable to owners of the Company was RMB142.6 million.

The Board of the Company has resolved not to declare the payment of interim dividend for the six months period ended 30 June 2025.

In the first half of 2025, although real estate policies maintained a generally accommodative stance, the continued sluggish sales performance and overall tightening of the financing environment further strained the Group’s liquidity. To address these liquidity risks and mitigate the operational constraints caused by capital pressures, the Group adhered to a long-term mindset, actively resolving debt obligations and alleviating survival pressures.

During the Period under Review, the Group strived to enhance capital activation efforts by implementing measures including packaged property sales, disposal of large-scale non-core assets, extension of financing debts, and reduction of operation and management costs. These actions were taken to proactively improve the debt structure, increase revenue and cut expenditures, and actively address operational challenges. Meanwhile, the Group further strengthened the centralised and integrated management of cash flow. Through tracking, calculation and forward-looking assessment of working capital, it flexibly adjusted capital expenditures to optimise cash flow allocation and maintain fundamental stability of the Group's core debt metrics.

During the Period under Review, the Group's project-level loans were generally maintained in good standing. For certain financing requiring extensions due to market downturns, the Group actively engaged with financial institutions to negotiate flexible and efficient solutions. Concurrently, it advanced collaborations with asset management companies and other financial institutions to develop more comprehensive and integrated plans that revive projects and safeguard liquidity.

During the Period under Review, the Group endeavoured to promote the structural optimisation and adjustment of its organisational structure to further reduce operating and management costs. On one hand, the Group further streamlined management levels and deepened flat management, thereby improving transmission and implementation efficiency of business strategies; on the other hand, the Group integrated and consolidated functional departments and lines to break down business barriers and enhance operational efficiency.

Meanwhile, in the face of the increasingly polarised property market, the Group maintained a prudent yet proactive strategy during the Period under Review, forming more targeted and flexible solutions to promote projects and enhance property operation efficiency:

In response to the sales performance of regional markets, the Group adopted "city-specific and property-specific strategies" in light of the actual situation of the projects, and conducted enhanced resources coordination and further intensive management to achieve risk control and maximise risk resistance. For cities with high overall inventory and slow phasing out of inventory, the operation pace of the projects was slowed down temporarily to reduce the operation risk, while in-depth analysis of customer structure in local and surrounding markets was conducted to identify property group-buying opportunities and accelerate destocking; for projects in cities where the market is recovering quickly, the Group maximised the concentration of advantageous resources to provide support for their operation, development, and sales, enhanced the overall competitiveness of the projects in regional markets, and sought to maximise performance and benefits.

## **Prospects and Expectation**

It is expected that in the second half of 2025, the PRC property markets will continue the recovery trend, and the central government will maintain positive and accommodative macro-economic policies, with an aim to achieve overall positive changes in the property market across core aspects including "risk prevention and resolution" and "continuous promotion of stability and recovery" through sustained efforts in supporting policies for the industry. However, due to the lack of significant improvement in market expectations, the property market may still maintain a slow recovery under pressure.

The Group will continuously adhere to long-termism and lean management philosophy, focus on improvement of capabilities and prevention of risks, properly address the liquidity pressure, spare no effort to ensure delivery and resolve debt risks, and further reduce the gearing ratio and mitigate the risks, to realise the stabilisation and improvement of its operating results. These efforts aim to safeguard the benefits of all stakeholders and achieve the long-term sustainability and feasibility of the Group's operations.

## **APPRECIATION**

On behalf of the Board, I hereby express my heartfelt appreciation to all Shareholders, investors, customers, partners, all employees and all sectors of society for their long-term attention and support to the development of the Group. We will respond to the industry trend, continuously improve management, and continue to strive for sustainable development.

**Shek Lai Him, Abraham**  
*Chairman of the Board*

Hong Kong, 27 August 2025

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND FINANCIAL REVIEW**

#### **Overall performance**

During the Period under Review, the aggregated contracted sales of the Group, including those of the Group's joint venture and associates, was approximately RMB210.4 million, representing a decrease of 35.0% as compared to RMB323.6 million for the six months ended 30 June 2024. The corresponding contracted gross floor area ("GFA") was approximately 52,000 square metres ("sq.m."), representing an increase of 48.6% as compared to approximately 35,000 sq.m. for the six months ended 30 June 2024. Although the contracted GFA increased by 48.6% compared to the first half of 2024, the average selling price ("ASP") dropped significantly, leading to a substantial decrease in the aggregated contracted sales for Period under Review.

During the Period under Review, the Group's recognised revenue was RMB425.2 million, representing a decrease of 81.5% as compared to RMB2,304.0 million in the corresponding period of 2024. The operating loss was RMB117.8 million, as compared to operating loss of RMB174.1 million in the first half of 2024. Loss for the Period under Review was RMB190.6 million, as compared to loss for the six months ended 30 June 2024 of RMB182.4 million.

#### **Revenue**

Our revenue represents consolidated revenue from (i) property development and sales; (ii) hotel operations; (iii) property management; and (iv) commercial property investment which are all derived in the PRC. During the Period under Review, revenue of the Group amounted to RMB425.2 million (first half of 2024: RMB2,304.0 million), representing a decrease of 81.5%.

#### **Property development and sales**

We focus on the development of quality residential properties with comfortable and convenient living environment. During the Period under Review, revenue from property development and sales business of the Group recorded a decrease of 82.9%, from RMB2,250.4 million in the first half of 2024 to RMB384.3 million in the same period of 2025, accounting for 90.4% of the Group's total revenue during the Period under Review. The decrease in revenue was a combined effect of declines in both aggregate GFA delivered and the recognised ASP. During the first half of 2025, the recognised ASP was RMB4,918 per sq.m. (first half of 2024: RMB13,831 per sq.m.)

The following table sets forth the breakdown of our revenue from property development and sales by geographical location for the six months ended 30 June 2025 and 2024.

City	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Recognised revenue from sales of properties RMB'000	% of total revenue from sales of properties %	Total GFA delivered sq.m.	Recognised average selling price RMB/sq.m.	Recognised revenue from sales of properties RMB'000	% of total revenue from sales of properties %	Total GFA delivered sq.m.	Recognised average selling price RMB/sq.m.
Guangzhou	101,541	26.4	6,985	14,537	449,574	20.0	40,298	11,156
Zhaoqing	2,617	0.7	555	4,719	2,883	0.1	458	6,295
Qingyuan	58,802	15.3	14,926	3,940	75,580	3.4	21,958	3,442
Lingao	4,162	1.1	651	6,394	2,705	0.1	460	5,880
Tengchong	6,952	1.8	623	11,152	42,601	1.9	3,825	11,138
Zhuzhou	139,185	36.2	48,441	2,873	1,317	0.1	278	4,737
Nanjing	69,620	18.1	5,674	12,271	1,677,731	74.5	95,571	17,555
Other revenue/ (loss) (Note)	1,430	0.4	N/A	N/A	(1,961)	(0.1)	N/A	N/A
Total/overall	384,309	100.0	77,855	4,918	2,250,430	100.0	162,848	13,831

*Note:* Other revenue/(loss) represented service income (or loss) from property development and management.

## Hotel operations

Apart from property development and sales, we also operate Just Stay Resort and Just Stay Inn, under our hotel operations business. During the Period under Review, revenue from hotel operations of the Group amounted to RMB17.3 million, representing a significant decrease by 48.5% from RMB33.6 million in the same period of 2024. The downward trend was mainly due to the closure of Just Stay Hotel in November 2024. As a significant component of hotel business, the closure of the Just Stay Hotel has had a direct impact on the overall hotel operation revenue.

## Property management

We also derived income from our property management services provided to purchasers of the residential properties. During the Period under Review, revenue from property management services of the Group reached RMB23.1 million, representing a steady increase of 35.1% as compared with RMB17.1 million in the same period of 2024, mainly driven by stable growth in total GFA of properties under management.

## Commercial property investment

During the Period under Review, revenue from commercial property investment of the Group amounted to RMB0.5 million, with a year-on-year decrease of 82.8% as compared with RMB2.9 million for the same period of 2024. The decrease was primarily due to the sale of investment properties, resulting in a reduction in rental properties being leased.

## **Cost of sales**

Cost of sales of the Group primarily represents costs of properties sold which are directly associated with the Group's property development activities, as well as costs incurred in relation to other businesses. During the Period under Review, cost of sales of the Group amounted to RMB394.7 million, representing a decrease of 81.1% as compared with RMB2,090.3 million in the first half of 2024. The decrease was due to less GFA sold by the Group in the first half of 2025.

## **Gross profit and gross profit margin before impairment losses on completed properties held for sale and properties under development**

During the Period under Review, the Group's gross profit before impairment losses on completed properties held for sale and properties under development amounted to RMB30.5 million, representing a decrease of 85.7% as compared with RMB213.7 million in the corresponding period of 2024. The Group's gross profit margin before impairment losses on completed properties held for sale and properties under development decreased to 7.2% from 9.3% for the same period of 2024.

During the Period under Review, the Group's gross profit margin before impairment losses on completed properties held for sale and properties under development from our property development and sales decreased to 6.4% from 9.1% in the first half of 2024. Such decrease was mainly due to lower recognised ASP in order to accelerate the pace of sales in view of the weakening sales trend in PRC property sector during the Period under Review.

Analysing based on the gross profit margin before impairment losses on completed properties held for sale and properties under development by city, top three cities ranked by revenue, namely Zhuzhou, Guangzhou and Nanjing, attained an average gross profit margin before impairment losses on completed properties held for sale and properties under development of 2.5%, and the revenue of these three cities accounted for 80.8% of our total revenue from property development and sales during the Period under Review.

## **Net impairment losses on completed properties held for sale and properties under development**

During the Period under Review, net impairment losses on completed properties held for sale and properties under development amounting to RMB73.7 million (first half of 2024: RMB165.8 million) was provided for in accordance with the remeasurement of net realisable value of the property projects based on the prevailing selling prices as well as other related market conditions.



## **Selling and marketing expenses**

Our selling and marketing expenses consist primarily of commission fees, advertising costs, employee benefit expenses and other miscellaneous expenses. During the Period under Review, selling and marketing expenses of the Group amounted to RMB29.4 million, representing a decrease of 73.3% as compared with RMB110.1 million in the same period of 2024. The downward trend was mainly attributable to the decrease in commission fees recognised by RMB24.1 million year-on-year, as a result of the decrease in recognised revenue from property development and sales. We have capitalised the commission fees incurred as contract costs and subsequently recognised the amounts as expenses when the related revenue are recognised. Excluding commission fees, other selling and marketing expenses during the Period under Review decreased by 61.3% year-on-year, mainly attributable to the efforts on cost control measures over marketing activities throughout the period.

## **Administrative expenses**

Administrative expenses primarily comprised of employee benefit expenses, depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets, tax and other levies, entertainment expenses for our business, office and travelling expenses and other miscellaneous expenses. During the Period under Review, the Group's administrative expenses amounted to RMB20.6 million, representing a decrease of 43.9% as compared with RMB36.7 million in the corresponding period of 2024. The decrease was also resulted from continuous cost control measures imposed.

## **Other gain/(losses) – net**

During the Period under Review, our other gain – net primarily consisted of fair value gains or losses on investment properties, gains or losses on disposals of property, plant and equipment, interest on financial assets at fair value through profit or loss and net foreign exchange gains or losses. The Group's other gains/(losses) – net change from losses of RMB10.8 million in the first half of 2024 to gains of RMB31.6 million in the same period of 2025, mainly due to reversal of legal expenses related to the compulsory auction of a building and increase in gain on disposals of investment properties and property, plant and equipment by RMB33.2 million.

## **Finance costs – net**

Finance costs – net comprised mainly interest expense on borrowings and leases net of capitalised interest expense, net exchange gains or losses on foreign currency borrowings and interest income from bank deposits. The Group's finance costs – net increased by 167.7% from RMB17.0 million in the first half of 2024 to RMB45.5 million in the same period of 2025, mainly due to less interest income generated by lower average total cash balance.

## **Share of profit of investments accounted for using the equity method**

During the Period under Review, the Group's share of profit of investments accounted for using the equity method decreased from RMB0.4 million in the first half of 2024 to RMB0.2 million for the same period of 2025.

### **Income tax (expense)/credit**

Income tax (expense)/credit included corporate income tax and land appreciation tax (“LAT”). During the Period under Review, corporate income tax recorded a tax expense of RMB25.0 million (first half of 2024: tax credit of RMB12.9 million), mainly due to the decrease in loss before income tax during the first half of 2025. LAT expense amounted to RMB2.6 million (first half of 2024: RMB4.6 million).

### **Loss for the period**

As a result of the aforementioned, the Group recorded a net loss of RMB190.6 million for the six months ended 30 June 2025, as compared to loss of RMB182.4 million for the six months ended 30 June 2024. Loss attributable to owners of the Company amounted to RMB142.6 million, as compared to loss attributable to owners of the Company amounted to RMB262.9 million for the six months ended 30 June 2024.

Basic and diluted loss per share for the Period under Review was RMB0.09, as compared to basic and diluted loss per share of RMB0.16 in the first half of 2024.

### **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

The Group funded and is expected to continue to fund its operations principally from cash generated from its operations, borrowings from financial institutions and proceeds from issuance of senior notes.

#### **Cash positions and fund available**

As at 30 June 2025, the total cash and bank balances of the Group were RMB128.4 million (31 December 2024: RMB154.9 million), of which RMB41.0 million (31 December 2024: RMB21.2 million) was cash and cash equivalents and RMB87.4 million (31 December 2024: RMB133.8 million) was restricted cash.

As at 30 June 2025, the Group had placed at designated bank accounts the pre-sale proceeds of properties received of RMB81.2 million (31 December 2024: RMB117.1 million) as the guarantee deposits for the constructions of related properties. As at 30 June 2025, the Group had placed cash deposits of approximately RMB0.1 million (31 December 2024: RMB0.1 million) with designated banks as security for bank borrowings.

As at 30 June 2025, the Group’s undrawn banking facilities were approximately RMB302.5 million (31 December 2024: RMB340.5 million).

## Borrowings

As at 30 June 2025, the total interest-bearing borrowings and senior notes of the Group were RMB3,296.5 million (31 December 2024: RMB3,252.5 million), out of which RMB3,296.5 million (31 December 2024: RMB2,672.5 million) was included in current liabilities of the Group.

- (a) As at 30 June 2025, certain borrowings with principal amounts of RMB604.2 million, relating to borrowings with a total principal amount of RMB736.1 million, were overdue (the “**Defaulted Borrowings**”). As a result of such default, the principal amount of borrowings of RMB1,037.8 million were considered as cross-default (the “**Cross-default Borrowings**”). The aggregate principal amount of the aforesaid Defaulted Borrowings and Cross-Default Borrowings of RMB1,774.0 million would be immediately repayable if requested by the relevant lenders.
- (b) On 7 January 2025, the Company issued the new senior notes with nominal interest rate 9.5% due 6 January 2026 in an aggregate principal amount of US\$174,332,581. The issuance of the new senior notes included an exchange offer of the senior notes due on 9 January 2025 amounting to US\$159,284,612 and capitalised interest accrued and unpaid.
- (c) As at 30 June 2025, the Group’s borrowings were denominated in following currencies:

	As at 30 June 2025 <i>RMB’000</i>	As at 31 December 2024 <i>RMB’000</i>
RMB	1,467,344	1,489,004
HK\$	525,573	512,547
US\$	1,303,545	1,250,988
	<u>3,296,462</u>	<u>3,252,539</u>

- (d) As at 30 June 2025, bank and other borrowings totalling RMB1,892.1 million (31 December 2024: RMB1,885.9 million) of the Group were secured by the pledge of the following assets together with the Group's shares of certain subsidiaries as collaterals:

	As at <b>30 June 2025</b> <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Lands	<b>10,878</b>	11,090
Property, plant and equipment	<b>158,872</b>	129,800
Properties under development	<b>1,084,507</b>	1,025,241
Completed properties held for sale	<b>1,021,916</b>	1,199,241
Restricted cash	<b>57</b>	144
	<b><u>2,276,230</u></b>	<b><u>2,365,516</u></b>

### Cost of borrowings

During the Period under Review, total cost of borrowings of the Group amounted to RMB119.6 million, representing a decrease of 10.9% from RMB134.2 million in the same period of 2024. The weighted average effective interest rate was 7.65% per annum during the Period under Review (first half of 2024: 8.07% per annum).

### Net gearing ratio

As at 30 June 2025 net gearing ratio\* was at 332.5% (31 December 2024: 277.7%).

\* Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as at the end of the reporting period.

### Contingent liabilities

- (a) 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. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

As at 30 June 2025 the outstanding guarantees were RMB1,589.9 million (31 December 2024: RMB1,482.2 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted 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 dates of grant of the mortgages.

The Group considers that in case of default in payments by purchasers, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

- (b) As at 30 June 2025 the Group had provided guarantees for borrowings of the Group's joint venture amounting to RMB345.5 million (31 December 2024: RMB344.7 million), with a provision amounting to RMB26.7 million (31 December 2024: RMB25.3 million) being made in the financial statements for the guarantee.

## **Commitments**

As at 30 June 2025, the commitments of the Group for property development expenditure amounted to RMB32.5 million (31 December 2024: RMB276.1 million).

## **Currency risks**

The Group's businesses are principally conducted in Renminbi ("RMB"). The monetary assets and liabilities of the Group's subsidiaries in the PRC are mainly denominated in RMB and the foreign exchange risk is immaterial. The non-PRC subsidiaries' functional currency is Hong Kong Dollar ("HK\$"). As at 30 June 2025 and 31 December 2024, major non-HK\$ assets and liabilities of the non-PRC subsidiaries are cash and cash equivalents, restricted cash, other receivables, borrowings and other payables, which are denominated in RMB or United States Dollar ("US\$"). Fluctuation of the exchange rate of HK\$ against RMB or US\$ could affect the Group's results of operations.

The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 30 June 2025, the Group did not have plan for material investments and capital assets.

## **SIGNIFICANT INVESTMENTS, MAJOR ACQUISITIONS AND DISPOSALS**

During the Period under Review, the Group did not hold significant investments, or conduct material acquisitions or disposals of subsidiaries, associates or joint ventures.

## **EVENTS AFTER THE PERIOD UNDER REVIEW AND FURTHER UPDATES IN RELATION TO THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

Subsequent to 30 June 2025, the Group failed to settle certain borrowings with aggregated principal amount of RMB774 million, out of which RMB736 million forms part of the Defaulted Borrowings as at 30 June 2025 mentioned above.

Reference is made to the announcement of the Company dated 30 June 2025. As disclosed therein, the Group has taken various steps and measures to mitigate the liquidity pressure and to improve the financial position of the Group. The Company wishes to provide supplemental information in relation thereto:

- (i) In relation to the completion and delivery of Building No. 6 of Jinke JY Grand Garden in Zengcheng, Guangdong in April 2025, the Group received sale proceeds of approximately RMB69.6 million, all of which were used to repay the outstanding construction costs.
- (ii) In June 2025, the Group disposed of a land parcel in Panyu District, Guangzhou City, receiving a cash inflow of approximately RMB20 million, out of which approximately RMB16.1 million was used to repay the relevant project loan, approximately RMB1.1 million was used to pay relevant taxes and approximately RMB2.8 million was used for working capital.
- (iii) The Group's restructuring of certain Defaulted Borrowings with an aggregate principal amount of approximately RMB436.5 million is currently in progress. As at the date of this announcement, the financial adviser to the Group, Admiralty Harbour Capital Limited, has completed review of the relevant loan profile and the Group's financial position, and has been discussing with the creditors to advance the restructuring process. The financial adviser currently estimates that a preliminary restructuring proposal will be submitted to the creditors in the fourth quarter of 2025, and aims to reach an agreement with the creditors in early 2026.

## **INTERIM DIVIDEND**

The Board has resolved not to declare the payment of interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

## **REVIEW OF ACCOUNTS**

The Company's audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code during the six months ended 30 June 2025.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding the securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the six months ended 30 June 2025.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company ([www.jygrandmark.com](http://www.jygrandmark.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the Shareholders and made available on the above websites in September 2025.

By Order of the Board  
**JY Grandmark Holdings Limited**  
**SHEK Lai Him, Abraham**  
*Chairman and Non-executive Director*

Hong Kong, 27 August 2025

*As at the date of this announcement, the Board comprises Mr. Shek Lai Him, Abraham, GBS, SBS, JP as non-executive Director; Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong and Ms. Yu Jiafeng as executive Directors; and Mr. Ma Ching Nam, BBS, CStJ, JP, Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive Directors.*