# JINGRUI HOLDINGS LIMITED
# 景瑞控股有限公司*

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

**(Stock Code: 01862)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

### ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2024 was approximately RMB2,077.2 million, representing a year-on-year decrease of 45.2%.
- Revenue for the year ended 31 December 2024 was RMB5,906.4 million, representing a decrease of approximately 19.0% as compared to last year. Gross loss was RMB252.5 million with a gross loss margin of 4.3%.
- For the year ended 31 December 2024, the Group recorded a net loss for the Year of RMB3,245.1 million.
- Total assets as at 31 December 2024 was RMB30,617.8 million.
- As at 31 December 2024, the land bank of the Group was approximately 1,448,247 sq.m..
- The Board did not recommend the distribution of a final dividend for the year ended 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited ("**Jingrui**" or the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**us**" or "**our**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures for the year ended 31 December 2023 as follows:

## CONSOLIDATED INCOME STATEMENT

*For the year ended 31 December 2024*

| | *Notes* | **Year ended 31 December 2024** *RMB'000* | 2023 *RMB'000* |
|---|---|---|---|
| **Revenue** | *4* | **5,906,400** | 7,294,475 |
| Cost of sales | *7* | **(6,158,911)** | (6,830,159) |
| **Gross (loss)/profit** | | **(252,511)** | 464,316 |
| Fair value loss on investment properties under capital platform | | **(144,910)** | (100,298) |
| Fair value loss on investment properties under other platforms | | **(149,000)** | (6,000) |
| Selling and marketing costs | *7* | **(350,191)** | (320,980) |
| Administrative expenses | *7* | **(666,973)** | (310,838) |
| Other income | *5* | **8,232** | 16,049 |
| Other gains or losses – net | *6* | **(862,248)** | (453,969) |
| **Operating loss** | | **(2,417,601)** | (711,720) |
| Finance income | *8* | **1,156** | 17,052 |
| Finance costs | *8* | **(873,090)** | (915,504) |
| **Finance costs – net** | | **(871,934)** | (898,452) |
| Share of results of joint ventures | | **(16,548)** | (111,518) |
| Share of results of associates | | **(27,936)** | 6,178 |
| | | **(44,484)** | (105,340) |
| **Loss before income tax** | | **(3,334,019)** | (1,715,512) |
| Income tax credit/(expense) | *9* | **88,962** | (125,819) |
| **Loss for the year** | | **(3,245,057)** | (1,841,331) |

**CONSOLIDATED INCOME STATEMENT (CONTINUED)**
*For the year ended 31 December 2024*

| | *Notes* | **Year ended 31 December** **2024** *RMB'000* | 2023 *RMB'000* |
|---|---|---|---|
| **Attributable to:** | | | |
| **Equity holders of the Company** | | **(3,003,782)** | (1,721,220) |
| **Non-controlling interests** | | **(241,275)** | (120,111) |
| | | **(3,245,057)** | (1,841,331) |
| **Loss per share attributable to equity holders of the Company** | | | |
| – Basic loss per share | *10* | **RMB(1.95)** | RMB(1.12) |
| – Diluted loss per share | *10* | **RMB(1.95)** | RMB(1.12) |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*For the year ended 31 December 2024*

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| **Loss for the year** | **(3,245,057)** | (1,841,331) |
| **Other comprehensive (loss)/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 | **(16,038)** | 94,561 |
| Other comprehensive (loss)/income for the year, net of tax | **(16,038)** | 94,561 |
| **Total comprehensive losses for the year, net of tax** | **(3,261,095)** | (1,746,770) |
| **Attributable to:** | | |
| Equity holders of the Company | **(3,019,820)** | (1,626,659) |
| Non-controlling interests | **(241,275)** | (120,111) |
| | **(3,261,095)** | (1,746,770) |

## CONSOLIDATED BALANCE SHEET

*As at 31 December 2024*

| | Notes | As at 31 December 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **69,567** | 80,129 |
| Right-of-use assets | | **119,245** | 121,838 |
| Investment properties | | **4,193,600** | 4,646,900 |
| Intangible assets | | **54,346** | 85,547 |
| Investments in joint ventures | | **839,861** | 943,240 |
| Investments in associates | | **524,943** | 820,068 |
| Deferred income tax assets | | **444,160** | 519,030 |
| Financial assets at fair value through profit or loss | | **569,050** | 686,134 |
| Financial assets at fair value through other comprehensive income | | **429,000** | 442,788 |
| Trade and other receivables and prepayments | *12* | **716,583** | 703,857 |
| | | **7,960,355** | 9,049,531 |
| **Current assets** | | | |
| Prepayments for leasehold land | | **54,304** | 54,304 |
| Properties under development and properties held for sale | | **14,342,629** | 20,979,614 |
| Trade and other receivables and prepayments | *12* | **6,947,509** | 7,506,588 |
| Prepaid income taxes | | **368,613** | 394,784 |
| Restricted cash | | **108,583** | 291,719 |
| Cash and cash equivalents | | **217,757** | 334,532 |
| Contract acquisition costs | | **101,457** | 269,531 |
| Financial assets at fair value through profit or loss | | **516,566** | 626,957 |
| | | **22,657,418** | 30,458,029 |
| **Total assets** | | **30,617,773** | 39,507,560 |

## CONSOLIDATED BALANCE SHEET (CONTINUED)

*As at 31 December 2024*

| | Notes | As at 31 December 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **OWNERS' EQUITY** | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | | **87,813** | 87,813 |
| Reserves | | **(2,955,025)** | 64,795 |
| | | **(2,867,212)** | 152,608 |
| **Non-controlling interests** | | **3,551,951** | 4,052,215 |
| **Total equity** | | **684,739** | 4,204,823 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | | **2,736,256** | 4,571,679 |
| Deferred income tax liabilities | | **768,288** | 1,012,013 |
| Lease liabilities | | **85** | 13,423 |
| | | **3,504,629** | 5,597,115 |
| **Current liabilities** | | | |
| Trade and other payables | *13* | **7,628,469** | 8,233,763 |
| Contract liabilities | | **2,883,601** | 6,124,433 |
| Amounts due to non-controlling interests of subsidiaries | | **718,898** | 937,583 |
| Current income tax liabilities | | **1,986,338** | 2,092,957 |
| Borrowings | | **13,206,007** | 12,304,443 |
| Lease liabilities | | **5,092** | 12,443 |
| | | **26,428,405** | 29,705,622 |
| **Total liabilities** | | **29,933,034** | 35,302,737 |
| **Total equity and liabilities** | | **30,617,773** | 39,507,560 |

## 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.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

## 2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance 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.

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 2024, the Group recorded a loss for the year of RMB3,245,057,000. As at 31 December 2024, the Group had net current liabilities of RMB3,770,987,000, current and non-current borrowings amounted to RMB13,206,007,000 and RMB2,736,256,000 respectively, while the Group's cash and cash equivalents and restricted cash only amounted to RMB217,757,000 and RMB108,583,000 respectively.

Furthermore, as at 31 December 2024, the Group's borrowings including bank loans, senior notes and trust financing arrangements amounting to RMB11,452,417,000 and the corresponding interests amounting to RMB2,398,255,000 were defaulted due to overdue payment of principals and interests. The above default in repayments entitled the lenders and note holders the right to demand immediate repayment of the financial liabilities from the Group. In addition, certain lenders have initiated legal actions against the Group on the defaulted financial liabilities of RMB430,702,000. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about 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 its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its cash flows:

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

ii. The Group has been proactively communicating with the relevant lenders to explain the Group's business, operations and financial condition. As at the date of this annual results announcement, based on the status of the ongoing discussions, the Directors are of the view that the relevant lenders will not exercise their rights to request the Group for immediate repayment of the loans prior to their scheduled contractual repayment dates;

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

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

v. The Group is conducting active negotiations with the lenders on the extension of the repayment schedule of certain borrowings;

vi. The Group will continuously seek for new financing from other financial institutions, including but not limited to exchange of existing senior notes or other borrowings;

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

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

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

The Directors have reviewed the Group's cash flow forecast prepared by the management and are of the opinion that, taking into account the above mentioned status, plans and measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of these consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to achieve the above mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

Save as described below, the accounting policies and calculation methods applied in the Group's annual financial statements for the year ended 31 December 2024 are consistent with those set out in the Group's annual financial statements for the year ended 31 December 2023.

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRSs in the current year has 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.

**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 2024 and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new standards, amendments and interpretation, certain of which are relevant to the Group's operation. According to the preliminary assessment made by the Directors, the Group does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

## 4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker ("**CODM**") for the purposes of allocating resources and assessing performance.

The Group manages its business by three operating segments based on their products and services, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment:

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

The CODM assesses the performance of the operating segments based on a measure of revenue and profit or loss before income tax. The measurement basis excludes the effects of income tax expense.

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

### (a) Revenue

Revenue of the Group consists of the following:

| | **Year ended 31 December** | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers recognised at a point in time** | | |
| – Sales of properties | **4,976,408** | 6,265,777 |
| – Others | **21,634** | 64,669 |
| | **4,998,042** | 6,330,446 |
| **Revenue from contracts with customers recognised over time** | | |
| – Property management service | **775,046** | 793,658 |
| | **775,046** | 793,658 |
| **Revenue from other source** | | |
| – Rental income | **133,312** | 170,371 |
| | **5,906,400** | 7,294,475 |

## (b) Segment information

| | Year ended 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 5,033,994 | 131,516 | 796,824 | 5,962,334 | (55,934) | 5,906,400 |
| Segment loss before income tax expense | (3,170,546) | (142,846) | (20,627) | (3,334,019) | – | (3,334,019) |
| Finance income | 842 | 74 | 240 | 1,156 | – | 1,156 |
| Finance costs | (800,628) | (65,613) | (6,849) | (873,090) | – | (873,090) |
| Share of results of joint ventures | (18,301) | – | 1,753 | (16,548) | – | (16,548) |
| Share of results of associates | (28,939) | – | 1,003 | (27,936) | – | (27,936) |
| Depreciation and amortisation | (4,714) | (3,378) | (4,662) | (12,754) | – | (12,754) |
| Reconciliation to losses for the year is as follows: | | | | | | |
| Total segment losses before income tax credit | | | | | | (3,334,019) |
| Income tax credit | | | | | | 88,962 |
| Loss for the year | | | | | | (3,245,057) |
| Segment assets | 52,245,774 | 6,023,202 | 11,066,199 | 69,335,175 | (38,717,402) | 30,617,773 |
| Segment assets include: | | | | | | |
| Investments in joint ventures | 796,171 | – | 43,690 | 839,861 | – | 839,861 |
| Investments in associates | 517,372 | – | 7,571 | 524,943 | – | 524,943 |
| Additions to non-current assets (other than financial instruments and deferred income tax assets) | 121 | 110 | 1,150 | 1,381 | – | 1,381 |
| Segment liabilities | 53,082,552 | 4,671,088 | 10,874,047 | 68,627,687 | (38,694,653) | 29,933,034 |

| | 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) |
| A reconciliation to loss for the year is as follows: | | | | | | |
| Total segment loss before income tax expense | | | | | | (1,715,512) |
| Income tax expense | | | | | | (125,819) |
| Loss for the year | | | | | | (1,841,331) |
| Segment assets | 61,646,395 | 6,418,076 | 11,332,630 | 79,397,101 | (39,889,541) | 39,507,560 |
| Segment assets include: | | | | | | |
| Investments in joint ventures | 897,900 | – | 45,340 | 943,240 | – | 943,240 |
| Investments in associates | 760,018 | – | 60,050 | 820,068 | – | 820,068 |
| Additions to non-current assets (other than financial instruments and deferred income tax assets) | 421 | 746 | 726 | 1,893 | – | 1,893 |
| Segment liabilities | 59,139,531 | 4,865,717 | 11,016,625 | 75,021,873 | (39,719,136) | 35,302,737 |

## 5 OTHER INCOME

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Government grants | **7,793** | 13,146 |
| Compensation income | **439** | 2,903 |
| | **8,232** | 16,049 |

## 6 OTHER GAINS OR LOSSES – NET

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Fair value loss from financial assets at fair value through profit or loss | **(547,094)** | (377,486) |
| Investment income from financial assets at fair value through profit or loss | **–** | 1,731 |
| Impairment loss on goodwill | **(31,048)** | (33,758) |
| (Loss)/gain on disposal of property, plant and equipment | **(4,951)** | 128 |
| Loss on disposal of a joint venture | **–** | (50,739) |
| Loss on disposal of an associate | **(60,815)** | – |
| (Loss)/gain on disposal of a subsidiary | **(40,108)** | 16,204 |
| Compensation and late payment charges | **(16,087)** | (21,465) |
| Provision for impairment of joint ventures and associates | **(150,751)** | – |
| Loss on disposal of investment properties | **(104,143)** | – |
| Net foreign exchange gains | **32,030** | 23,736 |
| Gain on debt restructuring *(Note)* | **63,860** | – |
| Others | **(3,141)** | (12,320) |
| | **(862,248)** | (453,969) |

*Note:* During the year ended 31 December 2024, Tianjin Ruiming Real Estate Development Co., Ltd., an indirect wholly-owned subsidiary of the Company entered into an offset agreement with the lender. Pursuant to the agreement, the borrowing under trust financing arrangements and the interest payables of the Group would be settled by transferring the Group's properties held for sales to the lender. Accordingly, a gain on debt restructuring of RMB63,860,000 was recognised during the year ended 31 December 2024.

## 7 EXPENSES BY NATURE

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

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Cost of properties sold | **5,350,752** | 6,120,384 |
| Cost of properties management | **590,249** | 570,354 |
| Surcharges | **21,857** | 28,729 |
| Write-down of properties held or under development for sale | **161,085** | 36,656 |
| Depreciation of property, plant and equipment and right-of-use assets | **12,601** | 19,789 |
| Amortisation of intangible assets | **153** | 1,385 |
| Bank charges | **3,668** | 7,303 |
| Staff costs *(Note)* | **178,100** | 226,329 |
| Entertainment expenses | **12,362** | 17,436 |
| Stamp duty and other taxes | **20,366** | 20,187 |
| Professional fees | **34,688** | 67,938 |
| Auditors' remuneration | | |
| – annual audit and interim review | **1,500** | 2,300 |
| Sales commission | **207,431** | 162,885 |
| Advertising and publicity costs | **18,677** | 22,704 |
| Office and meeting expenses | **22,750** | 28,881 |
| Rental expenses | **3,039** | 3,357 |
| Travelling expenses | **3,996** | 4,320 |
| Net impairment/(reversal of) losses on financial assets | **396,840** | (5,587) |
| Other expenses | **135,961** | 126,627 |
| Total cost of sales, selling and marketing costs and administrative expenses | **7,176,075** | 7,461,977 |

*Note:*

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 2024 and 2023, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

## 8 FINANCE COSTS – NET

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Finance income | | |
| – Interest income on bank deposits and financial assets | **1,156** | 17,052 |
| Finance costs | | |
| – Interest on financing arrangements | **(852,885)** | (1,248,953) |
| – Net foreign exchange loss on financing activities | **(149,837)** | (164,768) |
| – Interest on lease liabilities | **(1,247)** | (8,676) |
| – Less: amount capitalised | **130,879** | 506,893 |
| | **(873,090)** | (915,504) |
| Finance costs – net | **(871,934)** | (898,452) |

## 9 INCOME TAX (CREDIT)/EXPENSE

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Current income tax | | |
| – PRC land appreciation tax | **38,800** | 15,655 |
| – PRC corporate income tax | **63,032** | 54,362 |
| | **101,832** | 70,017 |
| Deferred income tax (credit)/expense | **(190,794)** | 55,802 |
| Total income tax (credit)/expense for the year | **(88,962)** | 125,819 |

**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 from 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Directors had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. No PRC withholding income tax was accrued for the year ended 31 December 2024 (2023: 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.

**Land appreciation tax**

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

## 10 LOSS PER SHARE

### (a) Basic loss per share

Basic loss per share for the years ended 31 December 2024 and 2023 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** | |
|---|---|---|
| | **2024** | 2023 |
| Group's loss attributable to equity holders of the Company *(RMB'000)* | **(3,003,782)** | (1,721,220) |
| Weighted average number of shares in issue *(in thousand)* | **1,538,813** | 1,537,204 |
| Basic loss per share *(RMB)* | **(1.95)** | (1.12) |

### (b) Diluted loss per share

For the years ended 31 December 2024 and 2023, there was no potential ordinary share outstanding and the diluted loss per share is the same as the basic loss per share.

## 11 DIVIDENDS

The Board did not recommend any payment of dividend for the years ended 31 December 2024 (2023: nil).

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **709,044** | 704,427 |
| Less: provision for impairment of trade receivables | **(82,362)** | (69,678) |
| Trade receivables – net | **626,682** | 634,749 |
| Prepaid taxes and surcharges and input value-added taxes to be deducted (a) | **442,972** | 669,895 |
| Prepayments of construction costs | **331,485** | 278,145 |
| Amounts due from related parties | **923,938** | 1,098,767 |
| Amounts due from non-controlling interests of subsidiaries | **2,319,895** | 2,486,903 |
| Deposits paid to secured borrowings | **194,765** | 206,301 |
| Deposits paid for potential investments | **288,016** | 265,821 |
| Other deposits paid (b) | **293,972** | 277,212 |
| Receivables from third parties (c) | **1,476,425** | 1,452,527 |
| Other receivables (d) | **1,652,671** | 1,342,698 |
| Less: provision for impairment (e) | **(886,729)** | (502,573) |
| | **7,664,092** | 8,210,445 |
| Less: non-current portion | **(716,583)** | (703,857) |
| | **6,947,509** | 7,506,588 |

*Notes:*

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

(b) Other deposits paid includes deposits paid for public housing fund centres and deposits paid for construction work.

(c) The balance as at 31 December 2024 includes the loan principals and interest receivables, totaling RMB1,476,425,000 (31 December 2023: totaling RMB1,452,527,000), due from third parties.

(d) Other receivables include temporary funding receivables, dividend receivables and miscellaneous.

(e) For amounts due from related parties, amounts due from non-controlling interests of subsidiaries, deposits paid to secured borrowings, deposits paid for potential investments, other deposits paid, receivables from third parties and other receivables, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12-month expected credit losses.

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

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Less than 1 year | **508,197** | 535,365 |
| Between 1 and 2 years | **93,929** | 85,899 |
| Between 2 and 3 years | **63,758** | 67,835 |
| Over 3 years | **43,160** | 15,328 |
| | **709,044** | 704,427 |

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

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| At beginning of the year | **572,251** | 577,838 |
| Impairment loss/(reversal of impairment loss) recognised | **396,840** | (5,587) |
| At end of the year | **969,091** | 572,251 |

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 2024 and 2023, the fair value of trade and other receivables approximate their carrying amounts.

Trade and other receivables with a total carrying amount of RMB10,150,000 as at 31 December 2024 (31 December 2023: RMB9,148,000) were pledged as collateral for the Group's borrowings.

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

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| – RMB | **5,753,836** | 6,322,280 |
| – USD | **1,482,891** | 1,460,929 |
| – HKD | **427,365** | 427,236 |
| | **7,664,092** | 8,210,445 |

## 13 TRADE AND OTHER PAYABLES

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Trade and notes payables | **1,873,420** | 2,372,403 |
| Amounts due to related parties | **1,400,670** | 1,617,048 |
| Turnover taxes payable | **415,105** | 684,026 |
| Interest payable | **2,763,448** | 2,110,924 |
| Dividend payable to non-controlling interests of certain subsidiaries | **223,582** | 223,582 |
| Other payables and accrued expenses *(Note)* | **952,244** | 1,225,780 |
| | **7,628,469** | 8,233,763 |

*Note:*

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

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

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Less than 1 year | **1,565,992** | 1,986,289 |
| Between 1 and 2 years | **157,367** | 197,817 |
| Between 2 and 3 years | **121,772** | 154,206 |
| Over 3 years | **28,289** | 34,091 |
| | **1,873,420** | 2,372,403 |

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

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

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| RMB | **5,486,403** | 7,160,275 |
| USD | **2,129,690** | 1,063,467 |
| HKD | **12,376** | 10,021 |
| | **7,628,469** | 8,233,763 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Review

In 2024, the global political and economic landscape was complex and changeable, which was characterized by "differentiated recovery, intensified risks, and policy shifts". Economically, the global economic growth was slow. The International Monetary Fund (IMF) projected a growth rate of 3.2%, which was lower than the historical average. Developed economies showed weak growth, while emerging economies performed relatively impressively. In particular, the growth of emerging markets in Asia reached 4.2%. The inflationary pressure was somewhat alleviated, but the issue of high debt became prominent. The global public debt exceeded 320 trillion US dollars, accounting for more than 90% of the global GDP. Under the influence of high interest rates, the economic growth of the United States slowed down. The economic recovery in the eurozone was difficult, and the economic recovery in Japan was slow, dragged down by weak domestic demand. In terms of policies, major global economies entered an interest rate cut cycle one after another to stimulate economic growth. Politically, 2024 marked a super election year. Elections in many countries led to increased policy uncertainty, the rise of populism, and an obvious trend of rightward shift in the global political landscape. Geopolitical conflicts still remained. The "decoupling and severing of supply chains" policies of the United States and Western countries hit the global supply chain and trade system, and trade protectionism intensified, posing a risk of division for the global economy. At the same time, the influence of countries in the "Global South" increased. Emerging economies such as African countries and the BRICS countries grew strongly, becoming new highlights of the global economy.

In 2024, against the backdrop of complex and volatile domestic and international situations, the economy of the People's Republic of China (the "**PRC**" or "**China**") maintained an overall stable performance with a steady upward trend. The national GDP grew by 5.0%, successfully achieving the expected target and reaching a new level in terms of economic aggregate. Macroeconomic policies have been actively implemented. Fiscal policies have become more proactive and effective, and monetary policies have been moderately loose. A package of incremental policies has promoted the economic recovery and improvement. Consumption, investment, and exports have worked together in harmony. New quality productive forces have developed steadily. Risks in key areas have been resolved in an orderly manner, and people's livelihood has been guaranteed. Politically, the Central Committee of the Communist Party of China has continued to deepen reforms, promote the modernization of national governance, maintain the intensity of anti-corruption efforts, and achieved remarkable results in social governance innovation, providing a solid guarantee for the high-quality development of the economy.

In 2024, the domestic real estate market demonstrated a stabilizing trend after a decline with the support of policies. The sales area and sales volume of newly built commodity houses nationalwide decreased by 12.9% and 17.1% respectively, and real estate development investment decreased by 10.6%. The overall market remained at an adjustment period. However, the policy side had been actively taking action. These include loosening purchase restrictions in first-tier cities, reducing down payment ratios and mortgage interest rates, lowering the interest rates of existing mortgages, and reducing deed tax and value-added tax, which have effectively boosted market confidence, promoted a gradual recovery in housing prices in first-tier cities, and accelerated inventory reduction in third- and fourth-tier cities. Meanwhile, market differentiation has been intensified. The improved demand in core cities supported the market, while third- and fourth-tier cities faced pressure from inventory backlogs and falling housing prices. The industry reshuffle was accelerating, the concentration of real estate enterprises was increasing, and market confidence was gradually being restored, which laid a foundation for a further recovery of the market in 2025.

## BUSINESS OVERVIEW

In 2024, the Group achieved contracted sales of approximately RMB2,077.2 million (including those of joint ventures and associates on a 100% basis) (2023: RMB3,787.4 million) and total contracted gross floor area ("**GFA**") sold was approximately 132,761 sq.m. (2023: 210,469 sq.m.). For the Year, the Group achieved revenue of RMB5,906.4 million (2023: RMB7,294.5 million). The Group recognized a net loss attributable to equity holders of the Company of RMB3,003.8 million (2023: RMB1,721.2 million) for the Year.

During the Year, revenue from property sales recognized by the Group amounted to RMB4,976.4 million (2023: RMB6,265.8 million), representing a decrease of 20.6% as compared to last year. It was mainly due to the decrease in the area of properties delivered during the Year. Revenue from property sales of the Group accounted for approximately 84.3% of our total revenue for the Year (2023: 85.9%), 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 2024, the total GFA for land reserves owned by the Group was approximately 1,448,247 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 2024, our cash at bank and on hand (including cash and cash equivalents and restricted cash) was RMB326.3 million. As at 31 December 2024, our net debt-to-equity ratio was approximately 2,281%. 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.

In order to better allocate resources, achieve professional management, and promote the achievement of the Group's overall strategic goals, the Group, focusing on the main real estate business, has three major business platforms, namely, Jingrui Properties (景瑞地產), Jingrui Capital (景瑞不動產), and Jingrui Service (景瑞服務).

## BUSINESS REVIEW

### Jingrui Properties (景瑞地產)

#### *Property Development*

In 2024, the Group achieved contracted sales of approximately RMB2,077.2 million (including those of joint ventures and associates on a 100% basis) and total contracted GFA sold was approximately 132,761 sq.m.. Our contracted sales were primarily generated from Jiangsu Province and municipalities directly under the Central Government, which were approximately RMB974.8 million and RMB791.0 million (excluding car parks) respectively, representing 46.9% and 38.1% of the total contracted sales, respectively.

**Details of the Group's contracted sales in 2024**

The following table sets out the geographic breakdown of the Group's contracted sales in 2024:

| Project Name | Contracted GFA Sold | Contracted Sales | Contracted Average Selling Price |
|---|---|---|---|
| | *sq.m.* | *RMB'000* | *RMB/sq.m.* |
| **Tianjin** | | | |
| Tianjin Jingrui Yujing Tiandi | 33,733 | 664,790 | 19,707 |
| Tianjin Sea Blue City | 4,031 | 55,032 | 13,652 |
| Tianjin Jingrui No. 1 Tang Gu Bay | 219 | 2,827 | 12,909 |
| **Chongqing** | | | |
| Chongqing Jingrui Jiangshan Yufu | 4,179 | 28,644 | 6,854 |
| Chongqing Tianchen Yujing | 3,640 | 39,704 | 10,908 |
| **Sub-total of municipalities directly under the Central Government** | **45,802** | **790,997** | **17,270** |
| **Ningbo** | | | |
| Ningbo Jingrui Ninghai Yujing Chaoming | 2,264 | 22,013 | 9,723 |
| **Sub-total of Zhejiang Province** | **2,264** | **22,013** | **9,723** |
| **Suzhou** | | | |
| Suzhou Jingrui Changshu Jiangnan Mansion | 17,637 | 295,499 | 16,754 |
| Suzhou Changshu In Times | 5,070 | 49,442 | 9,752 |
| Suzhou Jingrui Taicang Yueting | 101 | 1,286 | 12,733 |
| **Wuxi** | | | |
| Wuxi Jingrui Hubin Tianyu | 3,358 | 87,065 | 25,928 |
| **Nanjing** | | | |
| Nanjing Jingrui Xitang Mansion | 958 | 29,704 | 31,006 |

| Project Name | Contracted GFA Sold *sq.m.* | Contracted Sales *RMB'000* | Contracted Average Selling Price *RMB/sq.m.* |
|---|---|---|---|
| **Yangzhou** | | | |
| Yangzhou Tianfu Xingchen | 15,044 | 257,982 | 17,148 |
| Yangzhou Jingrui Yujing Fenghua | 545 | 5,815 | 10,670 |
| **Changzhou** | | | |
| Changzhou Jingrui Chenyun Tianfu | 15,398 | 203,033 | 13,186 |
| Changzhou Jingrui Dawn City | 9,814 | 45,000 | 4,585 |
| **Sub-total of Jiangsu Province** | **67,925** | **974,826** | **14,352** |
| **Wuhan** | | | |
| Wuhan Jingrui Tianfu Binjiang | 5,790 | 76,181 | 13,157 |
| Wuhan Jingrui Jiangshanyue | 7,405 | 56,195 | 7,589 |
| Wuhan Jingrui Jiangnanyue | 2,595 | 18,859 | 7,267 |
| **Chengdu** | | | |
| Chengdu Jingrui Yujing Fenghua, North | 42 | 2,788 | 66,381 |
| Chengdu Jingrui Yujing Fenghua, South | 938 | 12,928 | 13,783 |
| **Sub-total of other provinces** | **16,770** | **166,951** | **9,955** |
| Car park (lots) | 1,297 | 122,364 | |
| **Total** | **132,761**[(1)] | **2,077,151** | **15,646** |

*Note:*

(1) Excluding the area of car parks.

**Land Bank**

As at 31 December 2024, the total land bank of the Group was approximately 1,448,247 sq.m. or approximately 817,872 sq.m. on an attributable basis.

**Breakdown of the Group's land bank by cities for the year ended 31 December 2024**

| City | Total GFA | Percentage of the Group's Total GFA | GFA Attributable to the Group's Interests | Percentage of GFA Attributable to the Group's Interests |
|---|---|---|---|---|
| | *sq.m.* | *%* | *sq.m.* | *%* |
| **Municipalities directly under the central government** | | | | |
| Shanghai | 106,921 | 7.4 | 106,921 | 13.1 |
| Beijing | 29,669 | 2.0 | 29,669 | 3.6 |
| Tianjin | 41,971 | 2.9 | 37,280 | 4.6 |
| Chongqing | 76,390 | 5.3 | 55,712 | 6.8 |
| **Sub-total** | **254,951** | **17.6** | **229,582** | **28.0** |
| **Zhejiang Province** | | | | |
| Hangzhou | 965 | 0.1 | 965 | 0.1 |
| Ningbo | 42,026 | 2.9 | 21,013 | 2.6 |
| Jinhua | 39,694 | 2.7 | 32,544 | 4.0 |
| **Sub-total** | **82,685** | **5.7** | **54,522** | **6.7** |
| **Jiangsu Province** | | | | |
| Suzhou | 126,236 | 8.7 | 43,319 | 5.3 |
| Nanjing | 3,307 | 0.2 | 3,307 | 0.4 |
| Wuxi | 10,741 | 0.8 | 7,669 | 0.9 |
| Changzhou | 91,211 | 6.3 | 81,570 | 10.0 |
| Yangzhou | 108,230 | 7.5 | 35,133 | 4.3 |
| **Sub-total** | **339,725** | **23.5** | **170,998** | **20.9** |
| **Other Province** | | | | |
| Wuhan | 770,886 | 53.2 | 362,770 | 44.4 |
| **Sub-total** | **770,886** | **53.2** | **362,770** | **44.4** |
| **Total** | **1,448,247** | **100.0** | **817,872** | **100.0** |

**Revenue from Sales of Properties**

The revenue from sales of properties for the Year was approximately RMB4,976.4 million, representing a decrease of 20.6% as compared to last year, and its distribution is mainly as follows:

| | Revenue | Percentage of Total Revenue | GFA | Average Selling Price |
|---|---|---|---|---|
| | *RMB'000* | *%* | *sq.m.* | *RMB/sq.m.* |
| **Jiangsu Province** | | | | |
| Suzhou Jingrui Sino Park | 72,076 | 1.4 | 4,818 | 14,960 |
| Suzhou Jingrui Huyu Shangyuan | 985,305 | 19.8 | 70,897 | 13,898 |
| Suzhou Jingrui Taicang Yueting | 4,743 | 0.1 | 384 | 12,352 |
| Changzhou Jingrui Chenyun Tianfu | 1,976,638 | 39.7 | 92,501 | 21,369 |
| Nanjing Jingrui Xitang Mansion | 10,698 | 0.2 | 728 | 14,695 |
| Yangzhou Jingrui Yujing Fenghua | 21,842 | 0.4 | 1,616 | 13,516 |
| Wuxi Jingrui Hubin Tianyu | 88,148 | 1.8 | 3,676 | 23,979 |
| **Zhejiang Province** | | | | |
| Ningbo Jingrui Ninghai Yujing Chaoming | 207,176 | 4.2 | 22,601 | 9,167 |
| Hangzhou Jingrui Qinghai | 24,650 | 0.5 | 897 | 27,480 |
| **Chongqing** | | | | |
| Chongqing Jingrui Jiangshan Yufu | 238,844 | 4.8 | 27,022 | 8,839 |
| **Chengdu** | | | | |
| Chengdu Jingrui Yujing Fenghua, North | 689,554 | 13.9 | 48,170 | 14,315 |
| **Tianjin** | | | | |
| Tianjin Jingrui Yujing Tiandi | 580,987 | 11.7 | 32,655 | 17,792 |
| **Other** | 6,218 | 0.1 | 286 | 21,741 |
| **Sub-total** | **4,906,879** | **98.6** | **306,251** | **16,022** |
| Car parks (lots) | 69,529 | 1.4 | 799 | |
| **Total** | **4,976,408** | **100.0** | | |

**Jingrui Capital (景瑞不動產)**

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

In 2024, all projects of Jingrui Capital were in normal operation. As at 31 December 2024, the time-point occupancy rate of apartment projects was 92.3% and the time-point occupancy rate of office projects was 86.9%.

**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 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 of 31 December 2024, the business footprint of Jingrui Service covered more than 50 cities, such as Shanghai, Zhejiang, Jiangsu, Anhui, Hunan, Tianjin, Chongqing, etc. Its contracted GFA amounted to nearly 50 million sq.m., and its service target covers residential, commercial complex, office buildings, parks, schools, banks, hospitals, government construction projects and other types of properties. Jingrui Service focuses on the actual needs of properties' owners and strives to be practical and innovative. It continues to iterate and upgrade its service pattern, integrating the vision of "Proactive Service Provider Adhering to Quality" into full-type and full-lifecycle services through services and execution.

**Employees and Remuneration Policies**

As at 31 December 2024, we had a total of 2,661 full-time employees (31 December 2023: 2,990). Among which, 204 of our employees worked in property development operations, 2,406 of our employees were engaged in property management and 51 of our employees worked in customer service and other related operations.

The remuneration package of our employees includes salaries and bonuses. In general, we determine employee salaries based on each employee's qualifications, experience, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis for us to determine salary raises, bonuses and promotion. We also review and adjust our remuneration package by referring to the relevant salary survey in the real estate industry published by renowned consulting firms. We believe the salaries and benefits that our employees receive are competitive compared with market standards in each geographic location where we conduct business. In addition, we have also adopted a share option scheme at the annual general meeting held on 7 May 2019. By doing so, share options were granted to selected senior executives of the Group and employees are encouraged to grow together with the Company.

The Group's staff costs for the year ended 31 December 2024 amounted to RMB178.1 million (for the year ended 31 December 2023: RMB226.3 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 2024, the revenue of the Group reached RMB5,906.4 million, representing a decrease of 19.0% as compared to RMB7,294.5 million in last year. Our revenue consists of revenue from (i) sales of properties, (ii) property management services, (iii) rental income and (iv) others. The table below sets forth our revenue for each of the businesses described above and the percentage of total revenue represented for the respective periods indicated:

### Revenue by business segments

| | **2024** | | 2023 | | |
|---|---|---|---|---|---|
| | | **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 | **4,976,408** | **84.3** | 6,265,777 | 85.9 | (20.6) |
| – Others | **21,634** | **0.4** | 64,669 | 0.9 | (66.5) |
| | **4,998,042** | **84.7** | 6,330,446 | 86.8 | (21.0) |
| Revenue from contracts with customers recognized over time | | | | | |
| – Property management service | **775,046** | **13.1** | 793,658 | 10.9 | (2.3) |
| Rental income | **133,312** | **2.2** | 170,371 | 2.3 | (21.8) |
| **Total** | **5,906,400** | **100.0** | 7,294,475 | 100.0 | (19.0) |

Revenue from sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 84.3% 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 Changzhou Jingrui Chenyun Tianfu, Suzhou Jingrui Huyu Shangyuan, Chengdu Jingrui Yujing Fenghua, North and Tianjin Jingrui Yujing Tiandi. Revenue from sales of properties decreased by 20.6% to approximately RMB4,976.4 million in 2024 from approximately RMB6,265.8 million in 2023, mainly due to the decrease in the area of properties delivered during the Year.

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 2024, revenue from property management of the Group was approximately RMB775.0 million, representing a decrease of approximately 2.3% as compared to RMB793.7 million in last year. The decrease in revenue from property management was primarily due to the decrease in the third-party contracted managed GFA and the decrease in the property management fee.

Rental income mainly includes operating revenue generated from leasing our investment properties and certain other completed properties and is recognized on a straight-line basis over the relevant lease terms. In 2024, rental income of the Group was approximately RMB133.3 million, representing a decrease of 21.8% as compared to RMB170.4 million in 2023, mainly due to the decrease in operating area as compared to last year due to the continuous disposal of certain investment properties and leasehold properties for cash flow release in 2023 and 2024.

**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 9.8% from RMB6,830.2 million in 2023 to RMB6,158.9 million in 2024, 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:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | ***RMB'000*** | ***%*** | *RMB'000* | *%* |
| Construction costs | **1,689,027** | **27.4** | 2,215,494 | 32.5 |
| Land use right costs | **2,953,739** | **48.0** | 3,110,622 | 45.6 |
| Capitalized interest | **707,986** | **11.5** | 794,268 | 11.6 |
| **Sub-total: Total cost of properties** | **5,350,752** | **86.9** | 6,120,384 | 89.7 |
| Surcharges | **21,857** | **0.4** | 28,729 | 0.4 |
| Provision for impairment of properties held or under development for sale, net | **161,085** | **2.6** | 36,656 | 0.5 |
| Other costs[1] | **625,217** | **10.1** | 644,390 | 9.4 |
| **Total** | **6,158,911** | **100.0** | 6,830,159 | 100.0 |

*Note:*

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

**Gross Loss/Gross Profit and Gross Loss Margin/Gross Profit Margin**

Our gross profit recorded a turnaround from RMB464.3 million in 2023 to gross loss of approximately RMB252.5 million in 2024. The Group recorded a gross profit margin of approximately 6.4% for the year ended 31 December 2023, compared to a gross loss margin of approximately 4.3% for the year ended 31 December 2024, primarily due to the increase in land cost for the carry-over of property projects during the Year and the increase in the relevant provisions of impairment for property projects based on the principle of prudence.

**Fair Value Losses on Investment Properties under Capital Platform**

For the year ended 31 December 2024, the fair value losses on investment properties under capital platform were RMB144.9 million (2023: RMB100.3 million). The fair value losses in 2024 were mainly due to the impairment of projects such as Shanghai Jingrui Elite Residences and Beijing Jingrui Foresea Zhongjin Project in Zhongguancun.

**Fair Value Losses on Investment Properties under Other Platforms**

For the year ended 31 December 2024, the fair value losses on investment properties under other platforms were RMB149.0 million (2023: RMB6.0 million). The fair value losses in 2024 was mainly due to the impairment of Ningbo Jingrui Harbour City project.

### Selling and Marketing Costs

Our selling and marketing costs increased by 9.1% from RMB321.0 million in 2023 to RMB350.2 million in 2024, which was mainly due to the increase in sales commission of carry-over projects during the Year.

### Administrative Expenses

Our administrative expenses increased by 114.6% from RMB310.8 million in 2023 to RMB667.0 million in 2024, which was mainly due to the increase in the provision for bad debts on receivables by the Group based on the principle of prudence.

### Other Income and Other Gains or Losses – Net

We recorded other income of RMB8.2 million in 2024, compared to other income of RMB16.0 million in 2023. Other income recorded in 2024 was mainly the income on the government grants.

We recorded net other losses of RMB862.2 million in 2024, compared to net other losses of RMB454.0 million in 2023. Other losses recorded in 2024 were primarily derived from fair value loss from financial assets at fair value through profit or loss and impairment of investment in joint ventures and associates.

### Finance Costs, Net

Our finance income decreased by 93.0% from RMB17.1 million in 2023 to RMB1.2 million in 2024, primarily due to the decrease in interest income of bank deposits during the Year. Our finance costs decreased by 4.6% from RMB915.5 million in 2023 to RMB873.1 million in 2024, which was in line with the decline in the Group's total borrowings.

### Share of Results of Joint Ventures/Associates

For the year ended 31 December 2024, our share of results of joint ventures/associates was a loss of RMB44.5 million (2023: a loss of RMB105.3 million), and the loss was primarily due to the operating losses incurred by certain joint ventures/associates resulting from the impact of the continuing downturn in the real estate market.

### Income Tax Credit/(Expense)

Our income tax expense decreased from RMB125.8 million in 2023 to the income tax credit of RMB89.0 million in 2024, primarily due to the decrease in deferred income tax liabilities resulting from fair value losses on certain assets.

### Loss for the Year

In 2024, our loss for the Year was RMB3,245.1 million, of which loss attributable to equity holders of the Company was RMB3,003.8 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 debts, 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 2024, our cash at bank and on hand (including cash and cash equivalents and restricted cash) was RMB326.3 million. Our cash at bank and on hand is mainly denominated in RMB. Restricted cash of the Group mainly comprised of deposits for advanced proceeds received from property purchasers in respect of pre-sale properties.

**Borrowings**

Our total outstanding borrowings decreased from RMB16,876.1 million as at 31 December 2023 to RMB15,942.3 million as at 31 December 2024. As at 31 December 2024, all of the Group's secured borrowings were secured or guaranteed by one or a combination of the following methods: land use rights, properties under development, investment properties, completed properties held for sale, shares of the Company's subsidiaries and/or guarantees granted by the Company's subsidiaries. As at 31 December 2024, the assets used as collaterals for the borrowings amounted to RMB5,728.3 million (31 December 2023: RMB7,659.3 million). Our borrowings are mainly denominated in RMB and USD.

## Breakdown of Our Borrowings by Categories

| | As at 31 December | | |
|---|---|---|---|
| | **2024** | 2023 | Change |
| | ***RMB'000*** | *RMB'000* | *%* |
| **Current Borrowings:** | | | |
| Bank loans, secured | **95,990** | 86,990 | 10.3 |
| Add: current portion of long-term borrowings | **13,110,017** | 12,217,453 | 7.3 |
| **Total Current Borrowings** | **13,206,007** | 12,304,443 | 7.3 |
| **Non-Current Borrowings:** | | | |
| Bank loans, secured | **2,123,856** | 3,068,712 | (30.8) |
| Other loans, secured | **868,787** | 997,500 | (12.9) |
| Trust financing arrangements, secured | **1,313,772** | 1,329,382 | (1.2) |
| Senior notes due 2022, issued in July 2019, secured | **1,868,984** | 1,841,502 | 1.5 |
| Senior notes due 2022, issued in March 2020, secured | **91,077** | 89,738 | 1.5 |
| Senior notes due 2022, issued in June 2020, secured | **1,078,260** | 1,062,405 | 1.5 |
| Senior notes due 2023, issued in November 2020, secured | **1,725,216** | 1,699,848 | 1.5 |
| Senior notes due 2023, issued in March 2021, secured | **790,724** | 779,097 | 1.5 |
| Senior notes due 2023, issued in April 2021, secured | **1,128,579** | 1,111,984 | 1.5 |
| Senior notes due 2023, issued in May 2021, secured | **237,217** | 233,729 | 1.5 |
| Senior notes due 2023, issued in August 2021, secured | **359,420** | 354,135 | 1.5 |
| Senior notes due 2024, issued in September 2021, secured | **1,186,086** | 1,168,605 | 1.5 |
| Senior notes due 2023, issued in March 2022, secured | **1,230,032** | 1,211,946 | 1.5 |
| Senior notes due 2023, issued in April 2022, secured | **143,049** | 140,946 | 1.5 |
| Corporate bonds due from July 2027 to May 2029 | **351,214** | 351,214 | – |
| Corporate bonds due from July 2027 to May 2029 | **1,350,000** | 1,348,389 | 0.1 |
| Less: current portion of long-term borrowings | **(13,110,017)** | (12,217,453) | 7.3 |
| **Total Non-Current Borrowings** | **2,736,256** | 4,571,679 | (40.1) |
| **Total** | **15,942,263** | 16,876,122 | (5.5) |

**Breakdown of Our Borrowings by Maturity Profile**

| | As at 31 December | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | ***RMB'000*** | *%* | *RMB'000* | *%* |
| Within 1 year | **13,206,007** | **82.8** | 12,304,443 | 72.9 |
| Between 1 and 2 years | **104,000** | **0.7** | 3,744,576 | 22.2 |
| Between 2 and 5 years | **2,382,972** | **14.9** | 679,103 | 4.0 |
| Over 5 years | **249,284** | **1.6** | 148,000 | 0.9 |
| **Total** | **15,942,263** | **100.0** | 16,876,122 | 100.0 |

The proportion of the Group's long-term borrowings in the total borrowings was approximately 17.2% as at 31 December 2024.

**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 | | |
|---|---|---|---|
| | **2024** | 2023 | Year-on-year Change |
| | ***RMB'000*** | *RMB'000* | *%* |
| Finance costs | | | |
| – Interest expensed | **722,006** | 742,060 | (2.7) |
| – Net foreign exchange losses on financing activities | **149,837** | 164,768 | (9.1) |
| – Interest on lease liabilities | **1,247** | 8,676 | (85.6) |
| – Amounts capitalised | **130,879** | 506,893 | (74.2) |
| **Total** | **1,003,969** | 1,422,397 | (29.4) |

**Net Debt-to-Capital Ratio**

As at 31 December 2024, our net debt-to-capital ratio was 2,281% (31 December 2023: 386%). Net debt-to-capital ratio is calculated as net debt at the end of the year 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 2024, 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 RMB1,327.5 million (31 December 2023: RMB2,236.3 million). In addition, we provided guarantee for certain bank loans amounting to RMB294.3 million (31 December 2023: RMB321.0 million) which were granted to our joint ventures/associates. We provided guarantee for certain bank loans amounting to RMB107.3 million (31 December 2023: RMB111.8 million) which were granted to related parties of joint ventures. The Group provided guarantees as the proceeds from the loans were applied towards property projects of the joint ventures and associates.

Our Directors 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 2024, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings and other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

**Interest Rate Risk**

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

Our exposure to changes in interest rates is mainly attributable to our borrowings from bank, 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 issued from 2019 to 2022, which were denominated in US dollars.

Nonetheless, as we expand our operations, we may incur a certain portion of our cash flows in currencies other than RMB and thereby, may increase our exposure to fluctuations on exchange rates. We currently do not have foreign currency hedging policy, but our Directors will manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currency exposures.

### Financial Assets at Fair Value through Profit or Loss/Other Comprehensive Income

As at 31 December 2024, 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 equities. 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 2024.

### Future Plans for Material Investment

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

## ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Tuesday, 17 June 2025. A notice convening the AGM will be published in the manner required by the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.

## DIVIDEND

The Board has resolved not to recommend the distribution of final dividend for the year ended 31 December 2024 (2023: Nil).

## CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 7 June 2025 to Tuesday, 17 June 2025, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Tuesday, 17 June 2025. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 6 June 2025.

## IMPORTANT EVENTS AFFECTING THE GROUP SINCE 31 DECEMBER 2024

A winding-up petition (the "**Petition**") was filed by China CITIC Financial AMC International Holdings Limited (the "**Petitioner**") on 10 October 2024 at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company, on the ground that the Company is indebted to the Petitioner as guarantor in relation to a loan facility owing by Natural Apex Limited (a wholly-owned subsidiary of the Company) as the borrower in the principal amount of approximately US$108 million, plus accrued interest and penalty interest. The Petition was scheduled to be heard before the High Court on 18 December 2024. On 18 December 2024, the High Court ordered the hearing of the Petition to be adjourned to 22 January 2025. At the hearing of the Petition on 22 January 2025, the High Court ordered the hearing of the Petition to be further adjourned to 19 February 2025. At the hearing of the Petition on 19 February 2025, the High Court ordered the hearing of the Petition to be further adjourned to 22 April 2025. For details in relation to the winding-up petition and adjournment of the petition hearing against the Company, please refer to the announcements of the Company dated 15 October 2024, 18 December 2024, 22 January 2025 and 19 February 2025, respectively.

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

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

Save as disclosed above, no other important event affecting the Group has occurred since 31 December 2024 and up to the date of this annual results announcement.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the 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 2024 except for deviation from code provisions C.2.1 and B.2.4(b), details of which are set out below.

### Code Provision C.2.1

In accordance with code provision C.2.1 set out in Part 2 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, Mr. Yan Hao ("**Mr. Yan**") held both positions of chairman and chief executive officer of the Company for the year ended 31 December 2024.

Since the listing of the Company, Mr. Yan had been acting 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) enables the Board as a whole to effectively exercise its non-bias judgement. As at the date of this annual results announcement, the Board comprises three executive Directors (including Mr. Yan), one non-executive Director and three independent non-executive Directors and therefore has a strong independence element in its composition. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG code.

### Code Provision B.2.4(b)

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

Due to the inability to identify new suitable candidates for nomination and appointment as new qualified independent non-executive Directors, the Company did not appoint a new independent non-executive Director at the AGMs held on 27 June 2023 and 18 June 2024, and this is a deviation from the code provision B.2.4(b) of the CG Code.

On 5 December 2024, the Board had no independent non-executive Director following the resignations of Mr. Han Jiong, Mr. Qian Shi Zheng and Dr. Lo Wing Yan William as independent non-executive Directors. On 31 December 2024, Mr. Tianmin Liu, Ms. Wu Jilan and Ms. Hong Ting were appointed by the Company as independent non-executive directors to fill the vacancies. Subsequent to the aforesaid appointments, pursuant to Code Provision B.2.4, as the Company does not have any independent non-executive director on the Board who has served for more than nine years, the Company has re-complied with the relevant code provision and is not required to appoint a new independent non-executive director at the next AGM in accordance with code provision B.2.4(b).

## REVIEW BY AUDIT COMMITTEE

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

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the Group's auditor, CCTH CPA Limited ("**CCTH**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH on this announcement.

## EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

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

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

## DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Jingrui Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") which comprise the consolidated balance sheet as at 31 December 2024, 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 notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of this report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR DISCLAIMER OF OPINION

### Material uncertainties relating to going concern

As set out in note 2.1 to the consolidated financial statements, during the year ended 31 December 2024, the Group recorded a loss for the year of RMB3,245,057,000. As at 31 December 2024, the Group had net current liabilities of RMB3,770,987,000, current and non-current borrowings amounted to RMB13,206,007,000 and RMB2,736,256,000 respectively, while the Group's cash and cash equivalents and restricted cash only amounted to RMB217,757,000 and RMB108,583,000 respectively.

Furthermore, as at 31 December 2024, the Group's borrowings including bank loans, senior notes and trust financing arrangements amounting to RMB11,452,417,000 and the corresponding interests amounting to RMB2,398,255,000 were defaulted due to overdue payment of principals and interests. The above default in repayments entitled the lenders and note holders the right to demand immediate repayment of the financial liabilities from the Group. In addition, certain lenders have initiated legal actions against the Group on the defaulted financial liabilities of RMB430,702,000. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have taken various plans and measures to improve the Group's liquidity and financial position as described in note 2.1 to the consolidated financial statements. After taking into account the plans and measures, the directors of the Company are of the opinion that the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of these consolidated financial statements and therefore have prepared the consolidated financial statements based on a going concern basis.

However, we were unable to obtain sufficient appropriate evidence to satisfy ourselves that the plans and measures taken by the Group underpinning the cash flow forecast of the Group for going concern assessment are reasonable and supportable, including but not limited to, whether the Group will be able to enter into agreements with the lenders on the extension of the repayment schedule of certain borrowings and whether there will be new financing from other financial institutions. As a result, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the directors of the Company.

Should the Group be unable to achieve the 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 consolidated financial statements do not include any such adjustments.

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 28 March 2024.

## RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

Those charged governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and to issue an auditor's report 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of this report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the Year.

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

The Company or any of its subsidiaries (other than the trust of the share award scheme) did not purchase, sell or redeem any of the Company's listed securities during the year ended 31 December 2024 (including the sale of any treasury shares (as defined under the Listing Rules)). The Company did not have any treasury shares as of 31 December 2024.

**PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2024 Annual Report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course for inspection.

By order of the Board
**Jingrui Holdings Limited**
**Yan Hao**
*Chairman*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises Yan Hao, Xu Hai Feng and Chen Chao, as executive Directors; Chen Xin Ge, as a non-executive Director; Tianmin Liu, Wu Jilan and Hong Ting, as independent non-executive Directors.*

* *For identification purpose only*