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HUIJING HOLDINGS COMPANY LIMITED

滙景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9968)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

2023 INTERIM RESULTS HIGHLIGHTS

- Contracted sales (including contracted sales from joint ventures) decreased by 54.9% to approximately RMB168.4 million for the period ended 30 June 2023.
- Revenue decreased by 55.7% to approximately RMB23.5 million for the period ended 30 June 2023.
- Gross profit amounted to approximately RMB6.2 million for the period ended 30 June 2023, of which gross loss on property development was approximately RMB6.1 million.
- Loss amounted to approximately RMB339.6 million for the period ended 30 June 2023, representing a decrease of 19.9% compared to the loss for the same period in 2022, of which approximately RMB314.5 million was attributable to owners of the parent company.
- Cash and bank balances were RMB143.1 million as at 30 June 2023. Net gearing ratio was 513.5%, which is calculated by net debt divided by total equity. Net debt includes interest-bearing bank and other borrowings, senior notes and lease liabilities less cash and bank balances.
- The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Huijing Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the unaudited consolidated interim results of the Group for the six months ended 30 June 2023 (the “**Period**”) together with the comparative figures for the six months ended 30 June 2022 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
REVENUE	4	23,457	52,900
Cost of sales		<u>(17,220)</u>	<u>(39,754)</u>
Gross profit		6,237	13,146
Other income and gains	4	4,065	54,916
Selling and distribution expenses		(14,244)	(20,853)
Administrative expenses		(112,153)	(126,233)
Fair value loss on investment properties, net		(37,683)	(30,992)
Impairment of trade and other receivables		(24,294)	–
Write-down of inventories to net realisable value		(1,413)	–
Other expenses		(62,023)	(119,329)
Remeasurement of financial guarantee contracts		829	–
Finance costs	5	(103,146)	(160,230)
Share of profits and losses of joint ventures		(1,965)	(4,656)
Share of profit and loss of an associate		(1,053)	–
LOSS BEFORE TAX	6	(346,843)	(394,231)
Income tax credit/(expense)	7	7,244	(29,492)
LOSS FOR THE PERIOD		<u>(339,599)</u>	<u>(423,723)</u>
ATTRIBUTABLE TO:			
Owners of the parent		(314,472)	(420,331)
Non-controlling interests		(25,127)	(3,392)
		<u>(339,599)</u>	<u>(423,723)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic and diluted (<i>RMB per share</i>)	8	<u>(0.06)</u>	<u>(0.08)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
LOSS FOR THE PERIOD	<u>(339,599)</u>	<u>(423,723)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
<i>Exchange differences on translation of financial statements of the Company</i>	34,266	(3,988)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
<i>Exchange differences on translation of financial statements of subsidiaries</i>	<u>(90,560)</u>	<u>(38,211)</u>
Other comprehensive loss for the period	<u>(56,294)</u>	<u>(42,199)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(395,893)</u>	<u>(465,922)</u>
ATTRIBUTABLE TO:		
Owners of the parent	(370,766)	(462,530)
Non-controlling interests	<u>(25,127)</u>	<u>(3,392)</u>
	<u>(395,893)</u>	<u>(465,922)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		69,531	67,236
Right-of-use assets		25,631	28,440
Investment properties		1,569,100	1,596,000
Intangible assets		4,550	5,097
Investments in joint ventures		274,387	276,352
Investment in an associate		594	1,648
Land held for development for sale		1,774,306	1,442,722
Deferred tax assets		168,612	168,839
		3,886,711	3,586,334
TOTAL NON-CURRENT ASSETS			
CURRENT ASSETS			
Land held for development for sale		512,983	381,000
Properties under development		4,229,222	3,622,833
Completed properties held for sale		1,220,391	1,262,412
Trade receivables	9	20,002	20,930
Prepayments, other receivables and other assets		2,274,340	2,780,418
Receivable from a joint venture		379,217	378,604
Financial assets at fair value through profit or loss		95,644	99,403
Prepaid land appreciation tax		3,239	3,239
Cash and bank balances		143,054	78,268
		8,878,092	8,627,107
TOTAL CURRENT ASSETS			

	<i>Notes</i>	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
CURRENT LIABILITIES			
Trade payables	10	1,729,549	1,342,089
Other payables, deposits received and accruals		1,029,852	814,837
Lease liabilities		5,174	5,162
Contract liabilities		2,643,339	2,513,734
Interest-bearing bank and other borrowings		2,032,142	1,639,070
Senior notes		867,669	772,673
Provision for corporate income tax		772,721	774,357
Provision for land appreciation tax		674,447	675,357
		<u>9,754,893</u>	<u>8,537,279</u>
TOTAL CURRENT LIABILITIES		9,754,893	8,537,279
NET CURRENT (LIABILITIES)/ASSETS		(876,801)	89,828
TOTAL ASSETS LESS CURRENT LIABILITIES		3,009,910	3,676,162
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		1,963,065	2,223,192
Lease liabilities		22,568	25,215
Deferred tax liabilities		99,663	109,084
		<u>2,085,296</u>	<u>2,357,491</u>
TOTAL NON-CURRENT LIABILITIES		2,085,296	2,357,491
NET ASSETS		924,614	1,318,671
EQUITY			
Equity attributable to owners of the parent			
Issued capital		47,972	47,972
Reserves		315,790	684,720
		<u>363,762</u>	<u>732,692</u>
Non-controlling interests		560,852	585,979
TOTAL EQUITY		924,614	1,318,671

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the period, the Company and its subsidiaries (collectively, the “**Group**”) were principally engaged in property development and investment in the People’s Republic of China (the “**PRC**”). In the opinion of the directors of the Company (the “**Directors**”), the ultimate and immediate holding company of the Company is Wui Ying Holdings Limited (“**Wui Ying**”, which is incorporated in the British Virgin Islands) and the controlling shareholders of the Company are Mr Lun Ruixiang (“**Mr Lun Ruixiang**”, through Wui Ying) and Ms Chan Hau Wan (“**Ms Chan**”, spouse of Mr Lun Ruixiang and through Wui Shing Holdings Limited).

2.1 BASIS OF PRESENTATION

Notwithstanding that the Group incurred net loss of approximately RMB339,599,000 for the six months ended 30 June 2023 and as of that date, the Group’s current liabilities exceeded its current assets by approximately RMB876,801,000, the interest-bearing bank and other borrowings, senior notes payables and accrued interests on these payables with the carrying amounts of approximately RMB3,995,207,000, RMB867,669,000 and RMB154,897,000 respectively, out of RMB3,054,708,000 will be due for repayment within the next twelve months from the end of reporting period or repayable on demand, while its available cash and cash equivalent amounted to RMB24,137,000. In addition, the Group had defaulted certain interest-bearing bank and other borrowings with accrued interests as well as overdue interest on senior notes in aggregate of approximately RMB318,087,000 as at 30 June 2023 and remained outstanding as of the date of approval of these interim condensed consolidated financial statements. Apart of the aforesaid, subsequent to the end of reporting period and up to the date of these interim condensed consolidated financial statements, the Group did not repay principal and interest in total of approximately RMB2,075,018,000 for certain interest-bearing bank and other borrowings and senior notes. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

The Directors have carefully considered the Group’s expected cash flow projections not less than twelve months from the date of reporting period and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) the Group has been focusing on the completion and delivery of its property projects as well as the implementation of measures to accelerate the sale of properties under development and completed properties;
- (b) the Group has been consolidating resources to optimise its operations and reducing expenses and capital expenditures, including to look for partners to jointly develop certain property development projects to generate additional cash inflows and/or reduce cash outflows. In addition, the Group has implemented cost control measures and eliminated unnecessary capital expenditures to preserve liquidity for on-going development of its existing property development projects; and

- (c) the Group is actively in discussion with its existing lenders to renew and/or refinance the Group's certain borrowings. The Group has engaged in constructive dialogue with prospective financiers to explore possible refinancing options.

The Directors have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than twelve months from the end of the reporting period, they are of the opinion that, taking into account the above plans and measures, the Group will be able to adequately fund its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors consider that the preparation of these interim condensed consolidated financial statements on a going concern basis is appropriate.

Notwithstanding the above, significant uncertainties exist 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 cash flows through the following:

- (a) the successful and timely completion and delivery of its property projects as well as the implementation of measures to accelerate the sale of properties under development and completed properties; and
- (d) the successful renewal and/or refinancing of its certain borrowings.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern, adjustments would have to be made to write down the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effects of these potential adjustments have not been reflected in the interim condensed consolidated financial statements.

2.2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022. The accounting policies and methods of computation used in the preparation of those condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. The interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.3 APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s interim condensed consolidated financial statements:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

These new and revised HKFRSs had no material impact of the Group’s financial position and financial performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial statements.

The Directors anticipate that the application of the new and amendments to HKFRSs that are not yet effective will have no material impact on the interim condensed consolidated financial statements of the Group in the foreseeable future.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., the property development and investment business. Accordingly, no operating segment information is presented.

Geographical information

No geographical information operating segment is presented as the Group’s revenue from the external customers is derived solely from its operations in Mainland China and more than 90% of the non-current assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would provide no additional useful information to the users of the interim condensed consolidated financial information.

Information about a major customer

For the six months ended 30 June 2023, no revenue from transaction with a single external customer contributed 10% or more of the Group’s total revenue (six months ended 30 June 2022: RMB9,200,000 was derived from sale of properties in the PRC with a single external customer).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
<i>Revenue from contracts with customers</i>		
Sale of properties in the PRC	9,495	48,625
<i>Revenue from other sources</i>		
Gross rental income	13,962	4,275
	23,457	52,900

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income and gains		
Bank interest income	111	12,212
Dividend income of a joint venture	–	18,700
Interest income of a loan to a joint venture	–	1,802
Foreign exchange difference, net	–	10,121
Other rental income	1,053	4,194
Others	2,901	7,887
	4,065	54,916

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on lease liabilities	794	878
Interest on bank and other borrowings	203,028	162,459
Interest on senior notes	57,596	66,997
Interest expense arising from revenue contracts	4,802	23,827
	<u>266,220</u>	<u>254,161</u>
Less: Interest capitalised	(163,074)	(93,931)
	<u>103,146</u>	<u>160,230</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of properties sold	15,611	38,344
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	1,609	1,410
Depreciation of property, plant and equipment	3,146	2,954
Depreciation of right-of-use assets	2,762	4,352
Amortisation of intangible assets	547	538
Gains on disposal of items of property, plant and equipment	(40)	(257)
Changes in fair value of financial assets at fair value through profit or loss, net	8,251	110,604
Lease payments not included in the measurement of lease liabilities	184	252
Equity-settled share option expense/(credit)	1,836	(1,257)
Staff costs (including directors' emoluments)	43,081	72,823
Foreign exchange difference, net	2,661	(10,121)
	<u>2,661</u>	<u>(10,121)</u>

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the entities within the Group incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax.

No provision for Hong Kong profits tax has been made for the period as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2022: Nil). Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax (“CIT”) at a rate of 25% for each of the six months ended 30 June 2023 and 2022.

PRC land appreciation tax (“LAT”) is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current:		
PRC CIT	1,042	21,229
PRC LAT	908	47,730
	<u>1,950</u>	<u>68,959</u>
Deferred	(9,194)	(39,467)
Total tax (credit)/charge for the period	<u>(7,244)</u>	<u>29,492</u>

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculations of the basic and diluted loss per share are based on:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss		
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation	<u>314,472</u>	<u>420,331</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u>5,254,000</u>	<u>5,254,000</u>

Because the exercise price of the Company's share options was higher than the average market price for shares, the diluted loss per share is same as basic loss per share for the six months ended 30 June 2023 and 2022.

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date or invoice date and net of loss allowance, is as follows:

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Within 1 year	4,984	20,930
1 to 2 years	15,018	–
	<u>20,002</u>	<u>20,930</u>

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Within 1 year	680,808	569,631
1 to 2 years	829,063	648,690
Over 2 years	219,678	123,768
	<u>1,729,549</u>	<u>1,342,089</u>

11. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

EXTRACTS OF INDEPENDENT AUDITOR'S REVIEW REPORT

The Company's independent auditor has disclaimed a conclusion in its report on review of interim financial information of the Group's interim condensed consolidated financial statements for the six months ended 30 June 2023, and extract of which is as follows:

BASIS FOR DISCLAIMER OF CONCLUSION

Material uncertainties relating to going concern

As set out in note 2.1 to the interim condensed consolidated financial statements, the Group incurred net loss of approximately RMB339,599,000 for the six months ended 30 June 2023 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB876,801,000, the interest-bearing bank and other borrowings, senior notes payables and accrued interests on these payables with the carrying amounts of approximately RMB3,995,207,000, RMB867,669,000 and RMB154,897,000 respectively, out of RMB3,054,708,000 will be due for repayment within the next twelve months from the end of reporting period or repayable on demand, while its available cash and cash equivalent amounted to RMB24,137,000. In addition, the Group had defaulted certain interest-bearing bank and other borrowings with accrued interests as well as overdue interest on senior notes in aggregate of approximately RMB318,087,000 as at 30 June 2023 and remained outstanding as of the date of approval of these interim condensed consolidated financial statements. The non-compliance constituted an event of default, such that the lenders may exercise their rights to serve notice to demand immediate repayment of all outstanding debts including interests. Apart of the aforesaid, subsequent to 30 June 2023 and, up to the date of these interim condensed consolidated financial statements, the Group did not repay principal and interest in total of approximately RMB2,075,018,000 for certain interest-bearing bank and other borrowings and senior notes. These conditions, together with other matters set out in note 2.1 to the interim condensed consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have taken measures to improve the Group's liquidity and financial position as described in note 2.1 to the interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments may have to be made to write down the carrying value 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, where applicable. The effect on these adjustments has not been reflected in the interim condensed consolidated financial statements.

We do not express a conclusion on the interim condensed consolidated financial statements of the Group. Because of the significance of matters described in the Basis for Disclaimer of Conclusion section of our report, we were unable to obtain sufficient appropriate evidence to form a conclusion on the interim condensed consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

- (a) On 29 November 2023, the Company entered into an agreement to acquire the remaining equity interest of Sincere Partner Holdings Company Limited, a non-wholly owned subsidiary of the Company from Mr Chen Jinxuan, a director and substantial shareholder of Sincere Partner Holdings Company Limited. Upon completion, Sincere Partner Holdings Company Limited will become an indirect wholly-owned subsidiary of the Company. Details are set out in the Company's announcements dated 29 November 2023 and 11 December 2023.
- (b) On 23 November 2023, the Company entered into a letter of intent of strategic cooperation with Dongguan Communications Investment Property Co., Ltd. (東莞交投置業有限公司) ("**Dongguan Communications Investment**"). Pursuant to the letter of intent, the Company and Dongguan Communications Investment will explore and study on the feasibility of cooperation, including, but not limited to, (i) cooperation related to equity interest and capital contribution in relation to individual projects; and (ii) cooperation related to equity interest of the Company, subject to the entering into of definitive agreement(s) by the parties. Details are set out in the Company's announcement dated 8 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW

As a major part of the macro economy in China, real estate has experienced a change of deep adjustment in 2022. The Chinese government will continue to adhere to the policy keynote of “houses for living in and not for speculative investment as well as implementing city-specific policies (房住不炒，因城施策)” to achieve the target of “three stabilities (三穩)” of “stabilising land prices (穩地價)”, “stabilising housing prices (穩房價)” and “stabilising expectations (穩預期)”, thereby promoting the positive cycle and healthy development of the real estate market.

Under the new economic and policy environment, the Group has maintained a stable development momentum. Based on the mission of “maintaining foothold in the Greater Bay Area, penetrating into Dongguan, and sustaining coverage of high value-added cities in the Southern, Central and Eastern China areas (立足大灣區，深耕東莞，佈局華南，華中及華東等高增值城市)”, the Group will maintain the business model of “focusing on residential development projects, while taking the urban renewal projects as the core, as well as the cultural and tourism-healthy living towns and the scientific and innovative technologies industrial towns as the two wings (以住宅開發為主營業務，以城市更新為核心、文旅康養和科創產業為兩翼)” which constitute its “one focus, one core, and two wings (一主一核兩翼)” blueprint, in order to continually enhance the core competitiveness and the capacity of sustainable development of the Group.

BUSINESS REVIEW

The Group derives its revenue primarily from sales of properties and, to a lesser extent, leasing of investment properties. Incessantly under the overall unfavourable business environment of the real estate industry in the PRC, for the six months ended 30 June 2023, the Group recorded a total revenue of approximately RMB23.5 million, representing a period-on-period decrease of approximately 55.7%.

Contracted sales

For the six months ended 30 June 2023, including those of joint ventures, the Group recorded (i) contracted sales of approximately RMB168.4 million, representing a decrease of approximately 54.9% as compared to that for the six months ended 30 June 2022; and (ii) contracted gross floor area (“GFA”) sold of approximately 10,266 sq.m., representing a decrease of approximately 79.6% as compared to that for the six months ended 30 June 2022.

Sales of properties

For the six months ended 30 June 2023, the revenue from sales of properties recorded a period-on-period decrease of approximately 80.5% to approximately RMB9.5 million, which accounted for approximately 40.5% of the total revenue of the Group. For the six months ended 30 June 2023, the Group recognised total GFA sold of approximately 3,737 sq.m., which represented a decrease of approximately 50.5% as compared to that for the corresponding period in 2022. The average selling price (“ASP”) of the properties recognised as property sales was approximately RMB2,541 per sq.m., representing a period-on-period decrease of approximately 60.6%.

The following table sets out the recognised sales and GFA sold of each district for the six months ended 30 June 2023:

	Recognised GFA <i>sq.m.</i>	Percentage of total recognised GFA %	Recognised ASP <i>RMB/sq.m.</i>	Recognised revenue <i>RMB'000</i>	Percentage of recognised revenue %
By district					
Dongguan	1,122.2	30%	5,579.7	6,261.8	66%
Heyuan	1,995.5	53%	1,298.8	2,591.7	27%
Chengdu	618.8	17%	1,036.1	641.2	7%
	<u>3,736.5</u>	<u>100%</u>	<u>2,541.0</u>	<u>9,494.7</u>	<u>100%</u>

Particulars of projects and land parcels are set out in the following table:

		The Group's Equity Interest	Sold GFA	Saleable GFA (Note 1)	Investment Property	Unsaleable GFA	Total estimate GFA for future development	Total Consideration*	Attributable Consideration	Land Cost
	City		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB'000)	(RMB'000)	(RMB/sq.m.)
Huijing Riverside Villa (御海藍岸)	Dongguan	100%	432,310	7,763	-	49,257	-	559,891	559,891	1,144.2
Huijing Riverside Villa • Perfection (御海藍岸•臻品)	Dongguan	100%	32,871	-	-	5,276	-	80,059	80,059	2,098.7
Royal Spring Hill (御泉香山)	Dongguan	100%	221,002	3,391	-	42,024	-	184,600	184,600	692.9
City Valley (城市山谷)	Dongguan	100%	123,653	557	-	24,566	-	91,794	91,794	617.0
Huijing City Centre (滙景城市中心)	Dongguan	100%	122,135	3,865	15,329	28,659	-	231,031	231,031	1,359.1
Century Gemini (世紀雙子)	Dongguan	100%	50,200	8,308	-	27,168	-	102,639	102,639	920.9
Huijing City (滙景城)	Dongguan	100%	-	-	25,780	-	-	-	-	-
Central Palace (中央華府)	Dongguan	100%	62,590	4,770	-	11,670	-	80,097	80,097	1,013.5
Fenghua Mansion (豐華公館)	Dongguan	100%	15,447	703	-	2,745	-	105,260	105,260	5,570.8
Huijing Global Centre (滙景發展環球中心)	Dongguan	100%	1,173	9,268	-	-	-	179,899	179,899	-
Houjie Town Baotun Village Area (厚街鎮寶屯地塊)(Note 2)	Dongguan	100%	-	-	-	23,701	23,701	23,701	23,701	-
Hongmei Hongwugao (洪梅洪屋渦) (Note 3)	Dongguan	100%	-	-	-	-	-	259,154	259,154	-
Qingxi Sanzhong Area (清溪三片區) (Note 3)	Dongguan	100%	-	-	-	-	-	186,300	186,300	-
Shatian Renzhou Area (沙田稔洲片區) (Note 3)	Dongguan	100%	-	-	-	-	-	115,075	115,075	-
Bund No.8 (外灘8號)	Heyuan	100%	180,785	-	-	35,244	-	186,131	186,131	861.6
Nine Miles Bay (九里灣花園)	Heyuan	100%	379,801	316,296	-	125,413	-	747,084	747,084	909.4
Dongjiang River Galleries (a portion of) (東江畫廊(部分))	Heyuan	100%	-	-	-	-	532,707	490,517	490,517	920.8
Hefei Huijing City Centre (合肥滙景城市中心)	Hefei	100%	141,163	66,297	84,121	69,960	-	182,723	182,723	505.4
Huijing Yanhu International Resort (衡陽滙景•雁湖生態文旅小鎮)	Hengyang	100%	89,792	85,049	-	27,441	1,105,596	330,283	330,283	252.5
Xingfu District (幸福里)	Pinghu	80%	-	61,525	-	22,996	-	268,977	215,182	3,182.4
Yonghe District (雍和居)	Chenzhou	90%	-	266,456	-	61,781	-	418,600	376,740	1,275.3
Jieyou District (解憂湖)	Xuzhou	100%	-	333,383	-	9,813	-	658,200	658,200	1,917.9
Feili Palace (翡麗華府)	Xichang	40%	-	87,401	-	2,679	-	381,842	152,737	4,238.9
Yongjin Bay (雍錦瀾灣)	Chengdu	51%	144,131	8,348	-	8,053	-	236,421	120,575	1,472.7
Royal View Peak (御景峰閣)	Chengdu	51%	-	40,231	-	3,321	-	70,277	35,841	1,613.6
Royal View Palace (御景華府)	Chengdu	51%	58,008	20,281	-	18,995	-	114,898	58,598	1,181.1
Royal View Riverside (御景濱江)	Chengdu	51%	54,722	4,751	-	3,878	-	107,545	54,848	1,697.6
The 1st Mansion (壹號府邸)	Fuyang	51%	210,448	41,387	63,505	31,947	-	578,816	295,196	1,666.9
Huijing Global Centre (滙景發展環球中心)	Changsha	49%	135,722	96,220	-	64,672	-	826,040	404,760	2,784.9
			<u>2,455,953</u>	<u>1,446,250</u>	<u>188,735</u>	<u>677,558</u>	<u>1,638,303</u>	<u>7,797,854</u>	<u>6,508,915</u>	<u>37,898</u>

* Refer to the land parcel cost of the acquired project company

Notes:

1. Saleable/leasable GFA refers to the internal floor area of a property, which has been derived from the relevant (i) pre-sale permit; (ii) floor area prediction report (房產面積預測報告), where a pre-sale permit is not available for the whole or any part of a property; and/or (iii) development indicators approved by the relevant authority responsible for urban and rural planning or the Group's internal records, where neither a pre-sale permit nor floor area prediction report is available for the whole or any part of the property development.
2. Houjie Town Baotun Village Area is a Three-old Transformation Scheme under the Single Party Scenario. Currently, approval of the zoning plan for renewed units is issued by the Dongguan Natural Resources Bureau (東莞市自然資源局) for the project. After the transformation, the land use of project would be residential use, with a total site area of 12,591 sq.m. and a plot ratio accountable GFA of 47,869 sq.m.
3. As at 30 June 2023, the land in Qingxi Sanzhong Area, Hongmei Hongwugao and Shatian Renzhou Area was zoned for industrial use, current information (including plot ratio) is not relevant for our Group's purpose. For further details, please refer to the subsection under the Prospectus headed "Business — Land reserves".
4. Century Gemini and Huijing City are situated on the same parcel of land and therefore share the same site area.

Investment properties

As at 30 June 2023, the Group had a total GFA of approximately 188,735 sq.m. (leasable area of approximately 43,007 sq.m.) with rental income of approximately RMB4.9 million for the six months ended 30 June 2023.

Land reserves

As at 30 June 2023, the Group had land reserves amounting to approximately 3,104,553 sq.m., including 24 projects and 4 parcels of land located in 11 cities in the Greater Bay Area, the Yangtze River Delta Urban Cluster, the Mid-Stream Urban Cluster and the Chengdu-Chongqing Urban Cluster.

The following table sets out the GFA of the Group’s land reserves by geographical locations as at 30 June 2023:

Location	Total land reserve GFA (sq.m.)	Percentage of total land reserve GFA (%)
Dongguan	38,625	1.2%
Heyuan	849,003	27.3%
Hefei	66,297	2.1%
Hengyang	1,190,645	38.4%
Pinghu	61,525	2.0%
Chenzhou	266,456	8.6%
Xuzhou	333,383	10.7%
Xichang	87,401	2.8%
Chengdu	73,611	2.4%
Fuyang	41,387	1.3%
Changsha	96,220	3.1%
Total	3,104,553	100%

As at the date of this announcement, the progress of the Three-old Transformation Schemes (the “**Three-old Transformation Schemes**”) was as follows:

1. Zhangmutou Baoshan Area: The Three-old Transformation Schemes for this project is carried out under the Cooperation Scenario. Currently, approval of the “1+N Overall Implementation Plan for Commercial and Residential Units for Transformation of Baoshan Land Parcels in Zhangmutou, Dongguan City” (《東莞市樟木頭鎮寶山地塊商住類改造單元1+N總體實施方案》) is issued by the Dongguan Natural Resources Bureau (東莞市自然資源局) and then application to deregister the current land title for a new land use right is made. It is expected that the Company will obtain the new land use right certificate in 2024 subsequent to relocation of residents and payment of the land premium. The expected plot ratio accountable GFA was 367,222 sq.m.
2. Humen Xinwan Area: The Three-old Transformation Schemes for this project is carried out under the Right Owners Scenario. As the project is located in Humen area, which is within the territorial spatial planning of Guangdong Province (2020–2035), the urban renewal procedure is suspended until the completion of the planning by relevant government authorities. The Company anticipates that the urban renewal procedure of Humen Xinwan Area will resume in 2024 following completion of the aforesaid government work. The total site area of this project is 14,910 sq.m. with an expected plot ratio accountable GFA of 34,288 sq.m.

3. Shatian Renzhou Area: The Three-old Transformation Schemes for this project is carried out under the Right Owners Scenario. The project is located in Shatian town with a total site area of approximately 77,321 sq.m. The Three-old Transformation Schemes was currently completed and the land used for the project was identified as M3 industrial land, with an expected total GFA of 270,625 sq.m. The Three-old Transformation Schemes for this project was completed in July 2021. It currently finished the relevant land supply procedures and is under the progress of construction.
4. The Company had entered into 9 agreements as preparatory services providers with relevant parties. The relevant projects are all located in Dongguan city carrying out preparatory services and have a total site area of 2,229,500 sq.m. The Three-old Transformation Schemes for the relevant projects is expected to be carried out under the Public Tender. The details of the projects are as follows:

Project	Location	Total site area (sq.m.)
Xie Gang Li Village (謝崗黎村)	Xiegang town, Dongguan city	323,000
Shatian AI Smart Town (First Phase) (沙田AI智能小鎮(一期))	Shatian town, Dongguan city	294,400
Qishi New South (企石新南)	Qishi town, Dongguan city	255,300
Cha Shan Shang Yuan (茶山上元)	Chashan town, Dongguan city	207,800
Qingxi Qingxia (清溪清廈)	Qingxi town, Dongguan city	161,300
Chashan Waterworks Area (茶山水廠片區)	Chashan town, Dongguan city	105,700
Wanjiang Gonglian Area (萬江共聯片區)	Wanjiang Gonglian area, Dongguan city	210,000
Hongmei Hongwugao Area (洪梅洪屋渦片區)	Hongmei town, Dongguan city	485,300
Hengli, Wangniudun(望牛墩橫瀝)	Wangniudun town, Dongguan city	186,700
Total		<u><u>2,229,500</u></u>

FINANCIAL REVIEW

Overall performance

For the six months ended 30 June 2023, total revenue of the Group was approximately RMB23.5 million, which represented a period-on-period decrease of approximately 55.7%. Gross profit was approximately RMB6.2 million, which represented a period on-period decrease of approximately 52.6%. For the six months ended 30 June 2023, the loss for the period was approximately RMB339.6 million as compared to the loss as of 30 June 2022 of approximately RMB423.7 million. Loss attributable to owners of the parent was approximately RMB314.5 million for the six months ended 30 June 2023 as compared to loss attributable to owners of the parent of approximately RMB420.3 million as of 30 June 2022.

Revenue

Revenue decreased from approximately RMB52.9 million for the six months ended 30 June 2022 to approximately RMB23.5 million for the six months ended 30 June 2023, which represented a period-on-period decrease of approximately 55.7%. The GFA delivered decreased from 7,542 sq.m. for the six months ended 30 June 2022 to 3,737 sq.m. for the six months ended 30 June 2023, which represented a period-on-period decrease of approximately 50.5%, while the ASP decreased from RMB6,447 per sq.m. to RMB2,541 per sq.m. Decrease in GFA delivered and ASP were mainly due to decrease in the projects delivered in 2023 and the sales volume and unit price decrease under the effect of the market environment.

Cost of sales

Corresponding to the significant decrease in revenue, the cost of sales decreased from approximately RMB39.8 million for the six months ended 30 June 2022 to approximately RMB17.2 million for the six months ended 30 June 2023, which resulted from the significant decrease in GFA delivered as of 2023 as compared to that for the corresponding period in 2022.

Gross Profit and Gross Profit Margin

Gross profit decreased from approximately RMB13.1 million for the six months ended 30 June 2022 into gross profit of approximately RMB6.2 million for the six months ended 30 June 2023. It was mainly due to the difference between product portfolio and regional portfolio of property delivery in 2023 and the relatively low ASP of the properties.

Other Income and Gains

Other income and gains decreased from approximately RMB54.9 million for the six months ended 30 June 2022 to approximately RMB4.1 million for the six months ended 30 June 2023. Such decrease was mainly due to (i) the decrease in dividend income from a joint venture of approximately RMB18.7 million; (ii) the decrease in bank interest of approximately RMB12.1 million; (iii) the decrease in foreign exchange income of approximately RMB10.1 million; and (iv) the decrease in other businesses income of approximately RMB3.2 million.

Fair Value Loss on Investment Properties

Fair value loss on investment properties increased from approximately RMB31.0 million for the six months ended 30 June 2022 to approximately RMB37.7 million for the six months ended 30 June 2023. The increase was mainly due to fluctuations in estimated market values.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB20.9 million for the six months ended 30 June 2022 to approximately RMB14.2 million for the six months ended 30 June 2023. Such decrease was primarily due to the decrease in contract sales and the optimisation of the Group's cost and expense structure, in which the Group reduced marketing expense, leading to a decrease of approximately RMB6.3 million in sales agency and marketing expense for the six months ended 30 June 2023 as compared to the corresponding period in 2022.

Administrative Expenses

Administrative expenses decreased from RMB126.2 million for the six months ended 30 June 2022 to RMB112.2 million for the six months ended 30 June 2023. Such decrease was mainly due to the decrease in employee salaries expenses from approximately RMB70.9 million for the six months ended 30 June 2022 to approximately RMB41.7 million for the six months ended 30 June 2023, which was partially offset by the increase in tax expense of approximately RMB14.2 million.

Other Expenses

Other expenses decreased from RMB119.3 million for the six months ended 30 June 2022 to RMB62.0 million for the six months ended 30 June 2023. Such decrease was mainly due to a reduction in fair value losses on financial assets of approximately RMB102.4 million, which was partially offset by the liquidated damages increase of RMB29.4 million and the provision for litigation-related contingent liabilities increase of approximately RMB12.8 million.

Share of Loss of Joint Ventures

Share of loss of joint venture decreased from approximately RMB4.7 million for the six months ended 30 June 2022 to approximately RMB2.0 million for the six months ended 30 June 2023, which was primarily due to the decrease in loss from the joint venture located in Hunan in 2023.

Finance Costs

Finance cost decreased from approximately RMB160.2 million for the six months ended 30 June 2022 to approximately RMB103.1 million for the six months ended 30 June 2023, which was primarily due to the increase of capitalized interest.

Income Tax Expenses

Income tax expenses turned from approximately RMB29.5 million for the six months ended 30 June 2022 to income tax credit of approximately RMB7.2 million for the six months ended 30 June 2023. The change in income tax was primarily due to the decrease in pre-tax loss during the Period as compared to the corresponding period last year.

Net Loss and Net Loss Margin

There was a net loss of approximately RMB339.6 million for the six months ended 30 June 2023 as compared to approximately RMB423.7 million for the six months ended 30 June 2022.

The increase in net loss was mainly due to the decrease in gross profit by 52.6% and the decrease in other income and gains by 92.6% for the six months ended 30 June 2023.

Liquidity and capital resources

The Group operated in a capital-intensive industry and has funded its growth primarily through cash generated from operations including proceeds from the sale of its properties, debt financing and capital contributions from shareholders. The Group's cash requirements relate primarily to acquisitions of lands, properties development, debt repayment and clearance of all applicable taxes for projects developed.

Going forward, the Group believes that its liquidity requirements will be satisfied by cash generated from its operating activities and net proceeds from banking facilities available to it.

As at 30 June 2023, the Group had a total cash and bank balance of approximately RMB143.1 million as compared to that of approximately RMB78.3 million as at 31 December 2022. The increase was primarily due to the increase in proceeds from sales of properties and in bank borrowings. Substantially all of the Group's cash and bank balance are denominated in RMB.

The Group's net current assets were approximately RMB89.8 million as at 31 December 2022 and the Group's net current liabilities was approximately RMB876.8 million as at 30 June 2023. The change to net current liabilities position was mainly attributable to (i) the decrease in prepayment, other receivables and other assets of approximately RMB506.1 million; (ii) the increase in account payables of approximately RMB387.5 million; (iii) the increase in the net current portion of interest-bearing bank and other borrowings of approximately RMB393.1 million; and (iv) the partial offset by an increase in properties under construction of approximately RMB606.4 million for the six months ended 30 June 2023.

As at 30 June 2023, the Group's borrowings of RMB1,918.5 million (2022: RMB1,661.5 million) were borrowings with floating interest rates.

As at 30 June 2023, the Group had banking facilities in the total amount of RMB10,657.0 million, of which approximately RMB2,454.2 million, representing 23.0%, has been utilised.

Key financial ratios

As at 30 June 2023, the Group's net gearing ratio (calculated by dividing total borrowings and lease liabilities net of cash and bank balances by total equity) was approximately 513.5%, which represented an increase of 47.6% from approximately 347.9% as at 31 December 2022. The increase was primarily attributable to the significant decrease in total equity by approximately 29.4% as at 30 June 2023.

The Group's current ratio was calculated based on its total current assets divided by its total current liabilities as of the respective dates with the ratio at 1.0 and 0.9 times as at 31 December 2022 and 30 June 2023 respectively.

Foreign exchange risk

Substantially all of the Group's revenue and expenditure are denominated in RMB. As at 30 June 2023, the Group did not enter into any hedging transactions. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arises.

Interest rate risk

The interest rates of the Group's borrowings are primarily affected by interest-bearing bank and other borrowings. The Group manages its interest rate risk by closely monitoring the trend of interest rate fluctuation and its impact on the Group's interest rate risk exposure as well as regulating the debt portfolio of the Group.

Pledge of assets

The Group's bank and other borrowings with carrying amounts of RMB3,735.2 million (31 December 2022: RMB3,614.1 million) and RMB260.1 million (31 December 2022: RMB248.1 million) are denominated in RMB and United States dollars, respectively, out of which RMB3,222.4 million (31 December 2022: RMB3,218.5 million) were secured by certain land held for development for sale, equity interests in certain subsidiaries, properties under development, investment properties, right of rental income and completed properties held for sale of the Group.

Capital commitments

As at 30 June 2023, the Group had commitments that are contracted but not provided for in respect of property development expenditure as follows:

	As at	
	30 June 2023 (RMB'000)	31 December 2022 (RMB'000)
Contracted, but not provided for:		
Properties under development	2,035,939	2,379,630
Investment properties under construction	297,070	313,829
Purchase of land through acquisition of assets and liabilities	283,975	480,560
Total	2,616,984	3,174,019

Financial guarantees and contingent liabilities

As at 30 June 2023, the Group's total financial guarantees are as follows:

	As at	
	30 June 2023 (RMB'000)	31 December 2022 (RMB'000)
Guarantees given to banks in connection with mortgage facilities provided to customers of the Group's properties	2,676,706	2,956,845

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the customers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage repayments by the customers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulting customers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans. Upon default on mortgage repayments by these customers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group's guarantee period starts from the grant of the relevant mortgage loans and ends upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within one to two years after the customers take possession of the relevant properties.

The Group did not incur any material losses during the period in respect of the guarantees for mortgage facilities provided to customers of the Group's completed properties held for sale. In the opinion of the directors of the Company, in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans principals together with any accrued interest and penalties and accordingly, no financial liability has been made in connection with these guarantees.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

For the six months ended 30 June 2023, the Group did not carry out any material acquisitions or disposals of its subsidiaries, associates and joint ventures.

Significant investment held

For the six months ended 30 June 2023, there was no significant investment held by the Group.

Employee and remuneration policy

As at 30 June 2023, the Group had a total of 299 employees (for the six months ended 30 June 2022: 410). Total expenditure on salary and welfare of the Group's employees for the six months ended 30 June 2023 amounted to approximately RMB43.1 million (for the six months ended 30 June 2022: approximately RMB78.2 million). The Group has adopted a system of determining the remuneration of employees based on employees' qualification, experience, position and seniority. In general, the Group provides competitive remuneration packages to employees, which include basic salaries, allowances, discretionary bonus, performance-based rewards and year-end bonus. The Group has set a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation, particulars of which will be set out in the section headed "Share Option Schemes" of the Company's interim report for the six months ended 30 June 2023. The Group also pays social security insurance for the Group's employees, including social insurance and housing funds. In terms of employee training, the Group provides consistent and systematic training to employees based on their positions and expertise, in order to enhance their expertise in the real estate sector and their related fields.

The following table sets out the GFA breakdown of the Group's land reserves by property project as at 30 June 2023:

Property Type	Completed as at 30 June 2023				Under development as at 30 June 2023			Total estimated GFA for future development	Total GFA
	Unsaleable GFA	GFA sold	GFA available for sale/lease	Investment Property	Saleable/leasable GFA	Unsaleable GFA	Investment Property		
Residential property project									
Dongguan	162,706	939,246	34,760	–	–	–	–	–	1,136,712
Heyuan	100,715	560,586	31,236	–	285,060	59,942	–	532,707	1,570,246
Pinghu	–	–	–	–	61,525	22,996	–	–	84,521
Xichang	–	–	–	–	87,401	2,679	–	–	90,080
Chenzhou	–	–	–	–	266,456	61,781	–	–	328,237
Xuzhou	–	–	–	–	333,383	9,813	–	–	343,196
Chengdu	30,926	256,861	33,380	–	40,231	3,321	–	–	364,719
Subtotal	294,347	1,756,693	99,376	–	1,074,056	160,532	–	532,707	3,917,711
Integrated property project									
Dongguan	28,659	122,135	3,865	–	–	–	–	–	154,659
Hefei	7,415	141,163	4,777	–	61,520	62,545	–	–	277,420
Changsha	64,672	135,722	96,220	–	–	–	–	–	296,614
Fuyang	31,921	210,448	10,532	–	30,855	27	–	–	283,783
Subtotal	132,667	609,468	115,394	–	92,375	62,572	–	–	1,012,476
Investment property									
Dongguan	–	–	–	41,109	–	–	–	–	41,109
Hefei	–	–	–	–	–	–	84,121	–	84,121
Fuyang	–	–	–	–	–	–	63,505	–	63,505
Subtotal	–	–	–	41,109	–	–	147,626	–	188,735
Property promoting specific industry									
Hengyang	12,867	89,792	3,680	–	81,369	14,574	–	1,105,596	1,307,878
Subtotal	12,867	89,792	3,680	–	81,369	14,574	–	1,105,596	1,307,878
Total	439,881	2,455,953	218,450	41,109	1,247,800	237,678	147,626	1,638,303	6,426,800

Location	Completed as at 30 June 2023							Under development as at 30 June 2023					Total estimated GFA for future development	Actual/Estimated Construction Commencement date	Actual/Estimated Pre-sale Commencement date	Actual/Estimated Construction Complete date	
	Total site area	Unsaleable GFA	GFA sold	GFA available for sale	Total Investment Property	Total GFA completed	Saleable GFA	Pre-saleable GFA	Pre-sold GFA	Unsaleable GFA	Investment Property						
	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)						
Huijing Riverside Villa (御海藍岸)	Dongguan	315,867	49,257	432,310	7,763	-	489,330	-	-	-	-	-	-	489,330	2010.9.30	2011.4.1	2020.6
Huijing Riverside Villa • Perfection (御海藍岸•臻品)	Dongguan	10,220	5,276	32,871	-	-	38,147	-	-	-	-	-	-	38,147	2017.9.1	2018.4.28	2019.6.26
Royal Spring Hill (御泉香山)	Dongguan	119,999	42,024	221,002	3,391	-	266,417	-	-	-	-	-	-	266,417	2010.12.28	2011.5.20	2017.3.9
City Valley (城市山谷)	Dongguan	59,665	24,566	123,653	557	-	148,776	-	-	-	-	-	-	148,776	2014.4.15	2014.11.25	2018.7.6
Huijing City Centre (匯景城市中心)	Dongguan	37,025	28,659	122,135	3,865	15,329	169,988	-	-	-	-	-	-	169,988	2015.10.16	2016.4.8	2019.7.8
Century Gemini (世紀雙子)	Dongguan	17,314	27,168	50,200	8,308	-	85,676	-	-	-	-	-	-	85,676	2011.1.21	2012.5.21	2015.1.5
Huijing City (匯景城)	Dongguan	-	-	-	-	25,780	25,780	-	-	-	-	-	-	25,780	2011.1.21	n.a	2015.4.30
Central Palace (中央華府)	Dongguan	18,914	11,670	62,590	4,770	-	79,030	-	-	-	-	-	-	79,030	2010.4.14	2010.4.28	2011.11.21
Fenghua Mansion (豐華公館)	Dongguan	6,042	2,745	15,447	703	-	18,895	-	-	-	-	-	-	18,895	2018.10.24	2019.11.29	2020.6.30
Huijing Global Centre (匯景發展環球中心)	Dongguan	-	-	1,173	9,268	-	10,441	-	-	-	-	-	-	10,441	n.a	n.a	n.a
Subtotal		585,046	191,365	1,061,381	38,625	41,109	1,332,480	-	-	-	-	-	-	1,332,480			
Bund No.8 (外灘8號)	Heyuan	60,007	35,244	180,785	-	-	216,029	-	-	-	-	-	-	216,029	2016.7.27	2019.5.8	2018.12.25
Nine Miles Bay (九里灣花園)	Heyuan	273,500	65,471	379,801	31,236	-	476,508	285,060	282,151	116,506	59,942	-	345,002	821,510	2018.11.30	2018.12.20	2022.12.31
Dongjiang River Galleries (a portion of) (東江畫廊(部分))	Heyuan	266,353	-	-	-	-	-	-	-	-	-	-	532,707	532,707	n.a	n.a	n.a
Subtotal		599,860	100,715	560,586	31,236	-	692,537	285,060	282,151	116,506	59,942	-	345,002	532,707	1,570,246		
Hefei Huijing City Centre (合肥匯景城市中心)	Hefei	37,779	7,415	141,163	4,777	-	153,355	61,520	43,356	29,941	62,545	84,121	208,186	361,541	2017.1.19	2017.8.31	2022.9.30
Huijing Yanhu International Resort (衡陽匯景•雁湖生態文藝小鎮)	Hengyang	938,427	12,867	89,792	3,680	-	106,339	81,369	59,739	40,920	14,574	-	95,943	1,105,596	2016.4.28	2017.10.30	2022.12.31
Xingfu District (幸福里)	Pinghu	25,114	-	-	-	-	61,525	61,525	34,852	22,996	-	-	84,521	84,521	2020.6.30	2020.12.15	2022.12.31
Yonghe District (雍和居)	Chenzhou	107,319	-	-	-	-	266,456	58,956	22,369	61,781	-	-	328,237	328,237	2021.9.23	2021.06.23	2024.9.22
Jiyou District (解憂湖)	Xuzhou	96,398	-	-	-	-	333,383	54,652	25,549	9,813	-	-	343,196	343,196	2022.1.11	2021.08.27	2024.1.10
Feli Palace (頤麗華府)	Xichang	20,297	-	-	-	-	87,401	74,622	9,704	2,679	-	-	90,080	90,080	2019.10.18	2020.10.29	2024.06.20
Subtotal		1,225,334	20,282	230,955	8,457	-	259,694	891,654	352,850	163,335	174,388	84,121	1,150,163	1,105,596	2,515,453		
Yongjin Bay (億錦湖灣)	Chengdu	47,646	8,053	144,131	8,348	-	160,532	-	-	-	-	-	-	160,532	2017.12.29	2018.07.12	2021.03.19
Royal View Peak (御景峰園)	Chengdu	14,641	-	-	-	-	-	40,231	40,031	33,011	3,321	-	43,552	43,552	2020.04.26	2020.08.31	2023.04.26
Royal View Palace (御景華府)	Chengdu	30,640	18,995	58,008	20,281	-	97,284	-	-	-	-	-	-	97,284	2019.10.30	2019.12.18	2021.07.29
Royal View Riverside (御景濱江)	Chengdu	23,430	3,878	54,722	4,751	-	63,351	-	-	-	-	-	-	63,351	2018.11.14	2019.01.18	2021.06.11
Subtotal		116,357	30,926	256,861	33,380	-	321,167	40,231	40,031	33,011	3,321	-	43,552	-	364,719		
The 1st Mansion (壹號府邸)	Fuyang	114,879	31,921	210,448	10,532	-	252,901	30,855	14,440	20,514	27	63,505	94,387	347,288	2017.11.22	2018.02.02	2022.10.31
Huijing Global Centre (匯景發展環球中心)	Changsha	27,081	64,672	135,722	96,220	-	296,614	-	-	-	-	-	-	296,614	2016.6.30	2017.12.25	2020.6.30
Total		2,668,557	439,881	2,455,953	218,450	41,109	3,155,393	1,247,801	689,471	333,366	237,677	147,626	1,633,104	1,638,303	6,426,800		

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Period.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (“**Audit Committee**”) consists of three members, namely Mr Chan Kin Man (as the chairman), Ms Ou Ningxin and Mr Chen Guilin, all being independent non-executive Directors.

The Group’s unaudited consolidated interim results for the period ended 30 June 2023 have not been audited but the Audit Committee had reviewed, together with the management of the Company, the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters, including a review of the unaudited consolidated financial statements and the unaudited interim results of the Group for the period ended 30 June 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board had reviewed its corporate governance practices for the six months ended 30 June 2023, and confirmed that the Company has complied with all principles and code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) save as disclosed below.

On 9 December 2022, Ms Lin Yanna (“**Ms Lin**”) resigned as an independent non-executive Director as she needed to devote more time on her personal commitments. Upon the resignation of Ms Lin, she also ceased to be the chairman of the remuneration committee (“**Remuneration Committee**”) and a member of each of the Audit Committee and nomination committee (“**Nomination Committee**”) of the Company. As a result, the Company temporarily failed to comply with the requirements as set out in Rules 3.10(1), 3.21, 3.25 and 3.27A of the Listing Rules. On 15 March 2023, the Stock Exchange has agreed to grant the waiver to the Company to extend the time to 30 April 2023 for filling the vacancies. On 25 April 2023, Mr Chen Guilin was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. Following the appointment of Mr Chen Guilin, the Company was in compliance with the requirements under Rules 3.10(1), 3.21, 3.25 and 3.27A of the Listing Rules.

On 6 July 2023, (i) Ms Chiu Lai Kuen Susanna (“**Ms Chiu**”) tendered her resignation as an independent non-executive Director and the chairman of the Audit Committee as she desired to devote more time to other business and personal commitments; and (ii) Mr Hung Wan Shun Stephen (“**Mr Hung**”) tendered his resignation as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee due to his other business commitments. Following the resignations of Ms Chiu and Mr Hung, the Company temporarily failed to comply with the requirements as set out in Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25 and 3.27A of the Rules Governing the Listing of Securities on the Stock Exchange.

On 26 July 2023, (i) Mr Chan Kin Man was appointed as an independent non-executive Director and the chairman of the Audit Committee; and (ii) Ms Ou Ningxin (“**Ms Ou**”) was appointed as an independent non-executive Director, and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Following the appointments of Mr Chan Kin Man and Ms Ou, the Company re-complied with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A and 13.92 of the Listing Rules.

CHANGE IN DIRECTORS

Change in Directors during the Period

On 25 April 2023, Mr Chen Guilin was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee.

Change in Directors subsequent to the Period

On 6 July 2023, (i) Ms Chiu resigned as an independent non-executive Director and the chairman of the Audit Committee as she desired to devote more time to other business and personal commitments; and (ii) Mr Hung resigned as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee due to his other business commitments.

On 26 July 2023, (i) Mr Chan Kin Man was appointed as an independent non-executive Director and the chairman of the Audit Committee; and (ii) Ms Ou was appointed as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

On 1 September 2023, Mr Lo Chi Ho Wilfred tendered his resignation as (i) the company secretary of the Company (the “**Company Secretary**”); (ii) the authorised representative of the Company (the “**Authorised Representative**”) under Rule 3.05 of the Listing Rules; and (iii) the authorised representative for acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 19.05(2) of the Listing Rules (the “**Process Agent**”). Following the resignation of Mr Lo Chi Ho Wilfred, Ms Tang So Him was appointed as (i) the Company Secretary; (ii) the Authorised Representative; and (iii) the Process Agent with effect from 1 September 2023.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

FUTURE OUTLOOK

Looking forward to the coming year and even the next year, the real estate industry may still face demand and financing pressure, and further stimulating policies will likely be issued to improve the macro economy and the real estate market as a result. It is also expected that there may be prospect that the consumer confidence and market sentiment can be restored at some point of time, taking into account the time needed for the relevant policies to take effect. Meanwhile, the Group will continue to implement measures to improve operational efficiency and achieve business objectives.

The Group is principally engaged in the business of property development in China, and going forward, the Group will continue to focus on property development projects in the Southern China region, especially the Three-old Transformation projects in Dongguan, Guangdong Province. Taking into account the policy about ensuring timely deliveries of pre-sold housing and the current market conditions, the Group will continue to focus on:

- (i) the completion and delivery of its property projects, including working with different partners;
- (ii) implementing measures to accelerate the sale of properties under development and completed properties; and
- (iii) consolidating resources to optimize its operations and reducing expenses and capital expenditures.

On the other hand, the Group has been facing financing pressure from lenders and creditors and is in the process of negotiating with lenders and creditors. The Group will continue to engage in proactive and constructive dialogue and maintain a positive momentum with the lenders and creditors with a view to working out solutions as soon as practicable.

Finally, the Group remains optimistic and hopeful about the future, and believes that with the efforts of all employees, the Group will overcome the current difficult conditions. Accordingly, the Group would like to express sincere gratitude to the Company's shareholders, investors, partners, customers and employees.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Further to the specific enquiries made by the Company to the Directors, all Directors have confirmed their compliance with the Model Code for the six months ended 30 June 2023.

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

This preliminary announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://huijingholdings.com>). The interim report of the Company for the six months ended 30 June 2023 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Huijing Holdings Company Limited
Lun Ruixiang
Chairman and Non-executive Director

Hong Kong, 26 February 2024

As at the date of this announcement, the Board comprises Mr Lun Zhao Ming, Mr Lu Peijun and Mr Luo Chengyu as executive Directors, Mr Lun Ruixiang as a non-executive Director, and Mr Chan Kin Man, Ms Ou Ningxin and Mr Chen Guilin as independent non-executive Directors.