

Business Update

Jingrui Holdings' 2020 interim results: Breakthrough and upgrade, significant increases in operating income and gross profit

On August 28, 2020, Jingrui Holdings is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended June 30, 2020. During the reporting period, the Company firmly established its "large-scale asset management" strategy, consistently develop outstanding real estate development and operating service capabilities and strengthen the asset management capability.

Steady operation with substantial growth in revenue and gross profit

In the first half of 2020, the Group's contracted sales reached approximately RMB7.67 billion, and the contracted sales area was approximately 319,000 square meters. The contracted sales unit price remained at the forefront of the industry at RMB24,029 per square meter. At the same time, the Company continued to implement very effective sales payment collection management, with a contract sales payment collection rate of 110%. During the reporting period, the Group achieved operating income of RMB 3.15 billion, an increase of approximately 44.3% over the same period last year. Among them, income from sales of properties was RMB2.81 billion, an increase of 68.4% over the same period last year. Gross profit was RMB 990 million, an increase of 74.6% year-on-year, and gross profit margin was 31.4%, an increase of 5.5% year-on-year.

Prudent and stable financial management

With the continuous business expansion, the Company has always maintained stable and safe debt levels. As of the end of June 2020, the net debt-to-capital ratio was approximately 68%, and the total interest-bearing debt was approximately RMB19.3 billion. The Company has a diversified financing platform. In recent years, the proportion of trust loans has decreased significantly, the proportion of bank financing has gradually increased, and the proportion of capital market financing has stabilized. At the end of June 2020, Jingrui's senior notes and bank loans accounted for 47% and 46% respectively, while trust loans constituted only 1%. Cash at bank and on hand totaled RMB 12 billion, and the cash short-term debt ratio was 1.4 times, maintaining a safe level. In addition, the unused bank credit amount was RMB24.1 billion.

Focusing on core metropolitan areas and high-quality land reserves

In the first half of 2020, the Group secured 5 land parcels and property projects in first- and second-tier core cities such as Chongqing, Shanghai, Wuhan, Hangzhou, Suzhou, etc., with an additional land bank of approximately 440,000 sq.m and a new property value of approximately RMB 5.7 billion. As of June 30, 2020, the total land bank of the Group was approximately 4.92 million square meters, distributed in four municipalities of Beijing, Tianjin, Shanghai and Chongqing, Zhejiang, Jiangsu and Wuhan. The Group's land bank is abundant and of high-quality, with 96% of the saleable value located in first- and second-tier core cities, which has sufficient development potential.

Property management capabilities continue to improve

In the first half of 2020, Jingrui Capital overcame the impact of the coronavirus pandemic. Except for the Shanghai Maglink Project, which is still under renovation, all projects are in normal operation. Among them, the average occupancy rate of apartment projects was 93.6%; the average occupancy rate of office projects was 91.1%. Based on the development strategy of "large-scale asset management", Jingrui Capital platform was established by combining Joyride Apartment (悦橙公寓) and Carry Capital (锺瑞办公) under Jingrui, which is designed for investment, development, renovation and operation of the rental apartments and office buildings, to releases the value of resources and the growth potential.

Stock Information

Stock Code	1862.HK
Closing Price	HK\$2.05
52-Week Price Range	HK\$1.88–2.89
Market Cap	HK\$2.87 billion
Issued Shares	1.4 billion
Date of Listing	Oct. 31, 2013

Source: HKEX as of 31 August 2020

Result Highlights

1H20

Revenue	RMB3.154 billion
Gross Profit	RMB990 million
Net Profit	RMB345 million
Total Assets (as of December 31)	RMB54.113 billion
Contracted Sales	RMB7.670 billion
Contracted ASP	RMB24,029/sq.m.

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Beyond Wisdom buys additional 423,000 shares in Jingrui Holdings

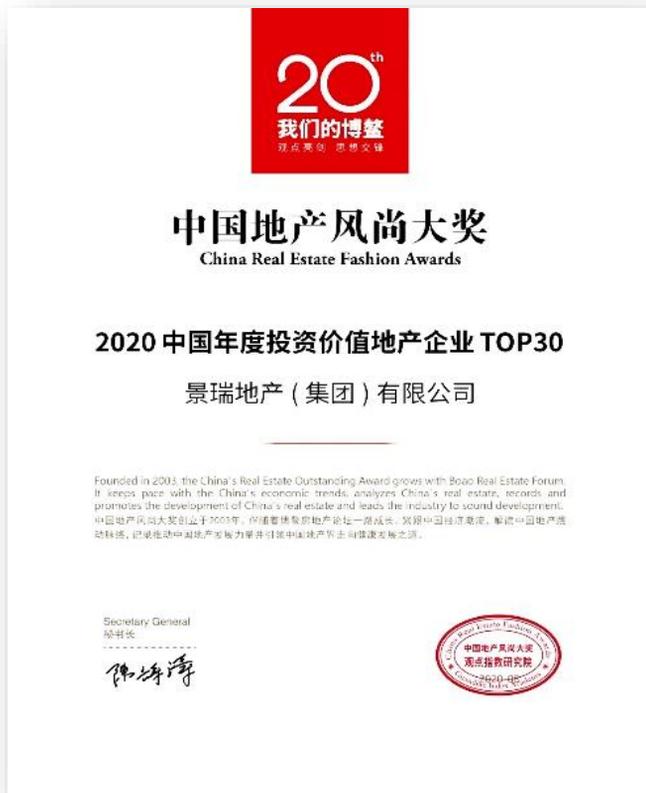
According to the equity information of the Hong Kong Stock Exchange, Beyond Wisdom Limited on August 31 increased its holdings in Jingrui Holdings by 423,000 shares at an average price of HK\$2.0465 per share, involving approximately HK\$865,700. After the increase, Beyond Wisdom Limited's latest total shareholding amount is 615,598,613 shares, and the shareholding ratio has risen from 43.93% to 43.96%.

Jingrui Property wins China Real Estate Fashion Awards for 2020

On August 12, the "Boao Real Estate Forum 2020" organized by Guandong Index Academy was grandly held, and the "China Real Estate Fashion Awards" for 2020 was presented on the spot. The China Real Estate Fashion Awards provide a professional, powerful and influential platform for companies and real estate professionals with industry-leading examples to witness the development of the industry and build the corporate strength. The proud achievements are worthy of the industry to follow. Jingrui Properties (Group) Co. Ltd., with its hard work in the past year, has been named the "Top 30 Chinese Real Estate Companies with Investment Value of the Year" at the China Real Estate Awards for 2020. Meanwhile, the forum released the "Annual Influential Private Equity Investment Institutions in China's Real Estate for 2020" list. With its efforts in the past year, Yan Capital Management made the annual influential list of "China Real Estate Fashion Awards" and was listed among the "Annual Influential Private Equity Investment Institutions in China's Real Estate for 2020".

In the first half of 2020, in order to accelerate the promotion of the large-scale asset management strategy, Jingrui Holdings upgraded the original integrated apartment and office business to the Jingrui Capital platform while enhancing the value positioning of its operating services according to the coordination needs in the development of its asset operations, and establishing the Jingrui Service platform, with Jingrui Properties as the carrier, to gather resources to develop service businesses. The five platforms were iteratively upgraded to become Yan Capital Management, Jingrui Properties, Jingrui Capital, Jingrui Service, and Co-Fortune Capital. This iterative upgrade is another self-innovation in the process of Jingrui's strategic transformation that conforms to the trend. After the upgrade, the five major platforms continue to leverage Jingrui's real estate genetic advantages, deep business linkage, full resources synergy, and efficient operation of the entire industrial chain to further enhance the value creation capability of the enterprise.

In 2020, affected by the epidemic and the economic downturn, the development environment of the equity investment market is severe. With tight cash flow and a cold investment market, Yan Capital Management always maintains a sharp market mentality, and steadily improves the return on asset investment through professional management, passing the cycle test and continuing to create value. In terms of investment strategy, due to its prudent approach, Yan Capital Management will give priority to projects that resist strong cyclical fluctuations and stabilize value-adding. It has planned stock-type projects in Beijing and Shanghai, and residential projects in first-tier cities, the Yangtze River Delta, and the Greater Bay Area.



Jingrui wins China's Most Innovative Real Estate Enterprise for 2020

On August 26, the annual forum of Leju Finance and Economics in 2019 with the theme of "Lang Ben" was held in Shanghai. Jingrui was awarded China's Most Innovative Real Estate Enterprise for 2020. This forum is guided by the China Real Estate Association and hosted by Leju Caijing and combines current hot topics such as "new opportunities in the real estate industry in the post-epidemic era" and "economic development in China's real estate industry under new infrastructure". More than 200 industry elites gathered to discuss corporate strategy and layout, and ways for healthy development of the industry.

As consumption upgrades, economic development ushered in new opportunities, and people have more expectations for personalized, high-quality living spaces. In 2016, Jingrui Holdings focused on "customer value design" in its overall strategy, which means value design capabilities centered on "customer insights" and "customized superior product capabilities" and exported systematic service capabilities around customer needs. Since then, focusing on customer insights, creating large-scale customized real estate has become Jingrui Real Estate's differentiated competitive approach. In 2019, a customized life service platform built based on BIM technology, was named of "Space me" and officially appeared in public and became the brand carrier of Jingrui's customized services.



Jingrui Property wins Top 50 Property Services in China for 2020

From August 11-12, 2020, hosted by E-House CRIC, co-hosted by Leju, and co-organized by the Digital Technology Real Estate Branch of the China Real Estate Industry Association, China Property Management Research Institution, CRIC Securities Co., Ltd., and China Quality Alliance, the REIS THE 4th officially took place. At this summit, with the theme of "Value Forward, Service Return", industry leaders gathered to explore the value and future development trends of the property industry; Jingrui property management won the Top 50 Property Services in China for 2020 in its first published Research Evaluation List on Service Capability of China Property Service Enterprises. Different from the single criterion of owner satisfaction, the term "service capability" encompasses much more. This time, Jingrui Property was awarded the Top 50 Property Service in China for 2020, which is not only the recognition and affirmation of Jingrui's development pattern inside and outside the industry, but also the witnessing of the continuous improvement of Jingrui's comprehensive strengths, service capabilities, and brand image value. Jingrui Property has been deeply involved in first-tier core cities and laid out Greater China. As of August 14, 2020, it had laid out 36 cities across the country, with a contracted management area of nearly 30 million square meters. Based on traditional property services of "cleaning, security, and warranty", Jingrui emphasizes an integrated full-service model from "house" to "person" to "life", focusing on providing customers with ideal everyday services.



Jingrui's public welfare action Hand-in-hand Project for Young Tibetans

Organized by the China Property Management Institute and Social Participation in Poverty Alleviation and Development of China, and undertaken by the China Accurate Poverty Alleviation Community Union, they jointly initiated the Hand-in-hand Project for Young Tibetans, a special public welfare action for the power of the community. Continuing "community power", consumption for poverty alleviation battle, the project focused on the "three regions and three continents" with poverty alleviation product highland barley in Tibetan areas to carry out special poverty alleviation actions.

Shanghai Jingrui Property Management Co., Ltd. joined the China Poverty Alleviation Community Association in 2018 and continues to move forward on the road of consumption for poverty alleviation named "community power". At present, Jingrui Property has purchased two acres of highland barley land, successfully helped two poor children in Tibetan areas, opened 16 stores online, and successfully purchased 14,900 kilograms of highland barley. Jingrui property management is ranked 57th on the consumption for poverty alleviation rankings in China.

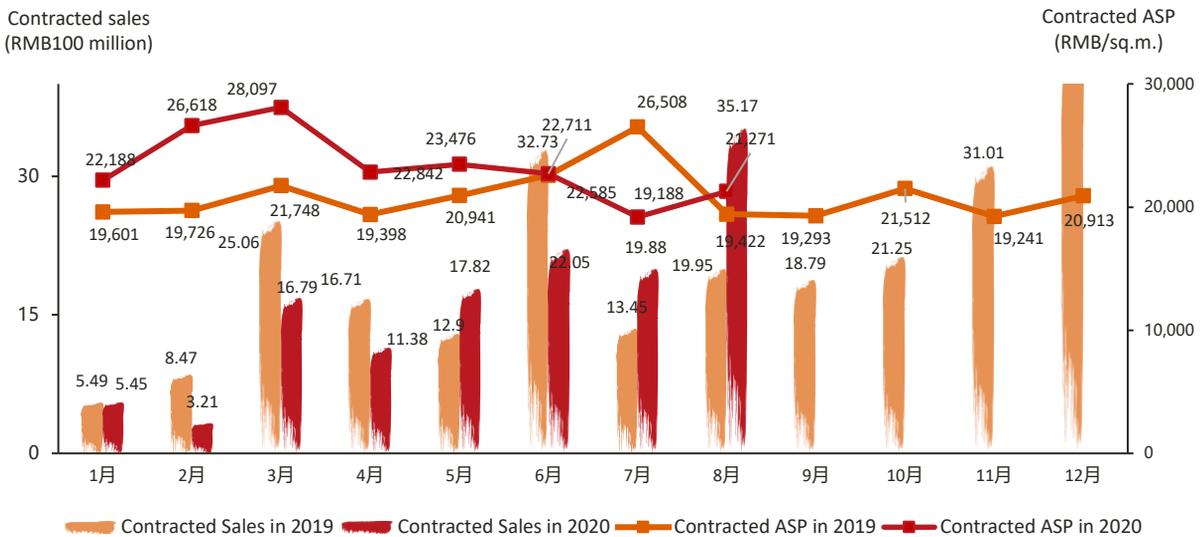


Unaudited operating data for August 2020

Contracted Sales

In August 2020, the contracted sales of Jingrui Holdings (sales from joint ventures and associates) were approximately RMB3,517 million, the contracted sales area was approximately 165,360 square meters, and the average contracted sales price was approximately RMB21,271 per square meter. For the eight months ended August 31, 2020, the Group's cumulative contracted sales (sales from joint ventures and associates) were approximately RMB13,175 million, the contracted sales area was approximately 588,161 square meters, and the average contracted sales price was approximately RMB 22,401 per square meter.

Monthly Contracted Sales (Jan 2019 – Aug 2020)



About Jingrui

Founded in Shanghai in 1993, Jingrui Holdings Limited is one of the leading regional residential property developers in the Yangtze River Delta region of China. In 2017, Jingrui tapped into Beijing and Wuhan markets, extending its strategic footprint to four municipalities and 18 cities nationwide. Jingrui believes in reform and innovation. And the Company continuously optimises its development and adjusts its strategic blueprint. The Company initially completed its strategic transition and upgrading driven by "customers' insight" and "light assets" in 2016, highlighting the Company's value design capability with "customer insights" as its core, along with a fund operation model. At present, Jingrui has built a comprehensive platform with five businesses, namely: Yan Capital Management, Jingrui Properties, Jingrui Capital, Jingrui Service, and Co-Fortune Capital. By focusing on refined asset-light operations, Jingrui can penetrate the entire industry chain, which pushes the Company to transform itself from a traditional residential developer into an asset management service provider. For further information, please visit <http://www.jingruis.com>.

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