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## **JINGRUI HOLDINGS LIMITED**

**景瑞控股有限公司\***

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

**(Stock Code: 01862)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY**

On 30 December 2019, the Vendors, the Purchaser and the Target entered into the Agreement in relation to the Disposal.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

#### **THE DISPOSAL**

On 30 December 2019, the Vendors, the Purchaser and the Target entered into the Agreement in relation to the Disposal. The principal terms of the Agreement are set out below.

#### **Subject matter**

The Purchaser shall purchase (i) the First Sale Shares from the First Vendor and the Second Sale Shares from the Second Vendor; and (ii) the Shareholder's Loan from the First Vendor.

The Sale Shares represent the entire equity interest of the Target as at the date of the Agreement and upon Completion.

#### **Consideration**

The total consideration for the Disposal is RMB262,000,000, subject to downward adjustment. The consideration for the Sale Shares is RMB232,517,000. The consideration for the Shareholder's Loan is its face value of RMB29,483,000.

As at the date of the Agreement, the Purchaser has paid a deposit of RMB52,400,000 to the First Vendor.

The payment schedule of the consideration is set out below.

<b>Instalment</b>	<b>Time</b>	<b>Amount</b>
1	Within 10 business days (as defined in the Agreement) of the date of the Agreement	the Purchaser shall pay RMB157,200,000, representing 60% of the total consideration, less the deposit of RMB52,400,000, to an escrow account
2	Within ten business days (as defined in the Agreement) upon registration of (i) the Purchaser as the registered holder of 100% of the Target; and (ii) change of directors, supervisor and other key personnel of the Target to persons nominated by the Purchaser	the Purchaser shall pay RMB209,600,000, representing 80% of the total consideration, to the Vendors, by first transferring all amounts held in the escrow account and the balance using its own funds
3	Within ten business days (as defined in the Agreement) upon registration of the Purchaser as the registered holder of 100% of the Target and the fulfilment of the following conditions:  (i) termination of the Lease and the tenants having vacated the relevant units;  (ii) the Vendors having completed their change of registered address to an address other than the address of the Property;  (iii) the independent tax consultant has completed the final settlement of the company's income tax and other related taxes, and obtained the pre-liquidation report approved by the Purchaser;  (iv) the Vendors having completed payments of all outstanding utility bills of the Property; and  (v) compliance by the Vendors of the terms of the Agreement in relation the day-to-day operations of the Target during the period between the date of the Agreement and Completion including seeking consent from the Purchaser prior to entering into any arrangements or agreements which is not consistent with the existing practice of the Target	the Purchaser shall pay RMB39,300,000 representing 15% of the total consideration, to the Vendors
4	Within 10 business days (as defined in the Agreement) on the sixth month of payment of the third instalment	the Purchaser shall pay RMB13,100,000, representing 5% of the total consideration, to the Vendors

All payments made under the Agreement to the Vendors will be made pro-rata to the shareholding of the Vendors.

Except for the Shareholder's Loan, the Target is sold on a debt free basis. Upon Completion, should there be any additional liability, the Purchaser may deduct such amount from the fourth instalment. If the amount is greater than the fourth instalment, then the Vendors shall compensate the Purchaser the difference in cash.

If the Purchaser delays in payment in accordance with the terms of the Agreement, the Purchaser shall pay a default interest of 0.05% per day on the outstanding consideration. If the Purchaser does not rectify the default within 30 business days (as defined in the Agreement), the Vendors may terminate the Agreement, refund all amounts paid by the Purchaser, and the Purchaser shall pay a penalty equivalent to 15% of the total consideration.

If Completion is delayed due to the fault of the Vendors, the Vendors shall pay a default interest of 0.05% per day on the consideration. If the Vendors do not rectify the default within 30 business days (as defined in the Agreement), the Purchaser may terminate the Agreement and the Vendors shall pay a penalty equivalent to 15% of the total consideration, compensate all losses (if any) suffered by the Purchaser and refund all amounts paid by the Purchaser.

### **Basis of the consideration**

The consideration for the Disposal was arrived at after arm's length negotiation among the parties, and was determined by reference to the recent market value of comparable residential and commercial development in the proximity and the face value of the Shareholder's Loan.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, the Target will no longer be a subsidiary of the Company. Accordingly, the assets, liabilities and the financial results of the Target will no longer be consolidated into the financial statements of the Group.

Based on (i) the unaudited net assets value of the Target of approximately RMB231,120,000; and (ii) the consideration of RMB232,517,000, it is expected that the Company will record a gain of approximately RMB1,397,000 from the Disposal after deducting the expenses attributable thereto.

The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company.

## INFORMATION ON PARTIES TO THE AGREEMENT

### (1) The Group and the Vendors

The Group is principally engaged in the property development business in the Yangtze River Delta region.

The First Vendor is a limited partnership established in the PRC and a wholly-owned subsidiary of the Company. Its principal business activity is property investment.

The Second Vendor is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. Its principal business activities are the development and management of properties.

### (2) The Purchaser

The Purchaser is a subsidiary of 北京金隅集團股份有限公司 (BBMG Corporation\*). 北京金隅集團股份有限公司 (BBMG Corporation\*) is a joint stock company established under the laws of the PRC with limited liability, the A shares of which are listed on the Shanghai Stock Exchange and the H shares of which are listed on the Main Board of the Stock Exchange. It is principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment, and provision of property management services.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### (3) Target

The Target is an indirectly and wholly owned subsidiary of the Company. It is primarily engaged in property development and property management in Beijing, the PRC. As at the date of the Agreement, its principal assets is the Property. The Property has been held by the Group as investment property for rental income.

The Target was established on 26 September 2017. The unaudited financial results of the Target are set out as follows:

	For the year ended 31 December	
	2017	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	–	877
(Loss)/profit before taxation	(1,156)	(1,805)
(Loss)/profit after taxation	(1,156)	(1,805)

The unaudited net asset value of the Target as at 30 November 2019 was approximately RMB231,120,000.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Target was acquired by the Group in early 2018. Its principal asset is the Property. The Property has been classified as investment property of the Group as the Group has been leasing the Property out to generate rental income. The Company undertakes strategic review of the Group's assets from time to time. Having regard to the prevailing market conditions, the Directors are of the view that the Disposal provides an opportunity for the Group to realise a capital gain and generate additional working capital for the Group.

In view of the above, the Directors consider that the terms of the Agreement (including the consideration) are normal commercial terms and are fair and reasonable, and that the Disposal is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Agreement”	the agreement dated 30 December 2019 entered into among the Purchaser, the Vendors and the Target in relation to the Disposal
“Board”	the board of the Company
“Company”	Jingrui Holdings Limited (景瑞控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder's Loan
“First Sale Shares”	99.99% of the equity interest in the Target as at the date of the Agreement and upon Completion

“First Vendor”	Beijing Jingtai Commercial Management (Limited Partnership) (北京景泰商業管理中心(有限合夥)), a limited partnership established in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lease”	the lease in relation to a property of 739 square metres located on the third floor of tower A of Cheng Yuan Building, which is located at No. 3, Jiancaicheng Zhonglu, Xisanqi, Haidian District (海澱區西三旗建材城中路3號), Beijing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	221 apartment units in tower A of Cheng Yuan Building, which is located at No. 3, Jiancaicheng Zhonglu, Xisanqi, Haidian District (海澱區西三旗建材城中路3號), Beijing, the PRC, with a total gross floor area of 9,698.73 square meters
“Purchaser”	BBMG Investment Property Management Group Company Limited* (北京金隅投資物業管理集團有限公司)
“Sale Shares”	the First Sale Shares and the Second Sale Shares
“Second Sale Shares”	0.01% of the equity interest in the Target as at the date of the Agreement and upon Completion
“Second Vendor”	Beijing Ruiyue Hotel Management Limited (北京瑞鉞酒店管理有限公可), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary shares of US\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholder’s Loan”	the loan due from the Target to the First Vendor, in the amount of RMB29,483,000 as at the date of the Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Beijing Chengyuan Properties Limited (北京程遠置業有限公司), a company established in the PRC with limited liability
“Vendors”	the First Vendor and the Second Vendor
“%”	per cent.

By order of the Board  
**Jingrui Holdings Limited**  
**Yan Hao    Chen Xin Ge**  
*Co-chairmen*

Hong Kong, 30 December 2019

*As at the date of this announcement, the Board of Directors of the Company comprises Yan Hao, Chen Xin Ge, Xu Chao Hui and Xu Hai Feng, as executive Directors; Han Jiong, Qian Shi Zheng and Lo Wing Yan William, as independent non-executive Directors.*

\* *for identification purpose only*