景業名邦
JY GRANDMARK

JY Grandmark Holdings Limited
景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2231)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

ANNUAL FINANCIAL HIGHLIGHTS

- Revenue was RMB2,402.8 million, representing an increase of 80.8% over 2018.
- Gross profit amounted to RMB1,144.2 million, representing an increase of 123.2% over 2018. Gross profit margin increased to 47.6% from 38.6% in 2018.
- Profit for the year was RMB494.9 million, representing a year-to-year increase of 29.6%. Core net profit* amounted to RMB446.9 million, representing an increase of 171.0% as compared with RMB164.9 million in 2018.
- Profit attributable to owners of the Company was RMB501.5 million, representing an increase of 29.8% over 2018.
- Basic and diluted earnings per share was RMB0.41 Yuan, representing a year-on-year increase of 28.1%.
- Net gearing ratio** as of 31 December 2019 increased to 47.1% from 42.0% as of 31 December 2018.
- Annual contracted sales amounted to approximately RMB3,116.3 million, representing an increase of approximately 35.6% as compared with RMB2,298.2 million over 2018.
- Proposed final dividend was RMB9.14 cents per share for the year ended 31 December 2019.

* Core net profit represents profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

** Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as of the end of the respective year.

The board (the "**Board**") of directors (the "**Directors**") of JY Grandmark Holdings Limited (the "**Company**" or "**JY Grandmark**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2019 with the comparative figures for 2018 as follows:

The following discussion should be read in conjunction with the consolidated financial information of the Group, including the related notes, set forth in the relevant financial information sections of this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	**2019**	2018
		RMB'000	*RMB'000*
Revenue	*2*	**2,402,810**	1,328,887
Cost of sales	*3*	**(1,258,578)**	(816,297)
Gross profit		**1,144,232**	512,590
Selling and marketing expenses	*3*	**(131,046)**	(74,225)
Administrative expenses	*3*	**(162,938)**	(124,598)
Net impairment losses on financial assets		**(236)**	(170)
Other income	*4*	**3,731**	1,276
Other expenses	*5*	**(3,098)**	(2,759)
Other gains – net	*6*	**61,021**	230,570
Operating profit		**911,666**	542,684
Finance costs	*7*	**(14,219)**	–
Finance income	*7*	**15,605**	649
Finance income – net	*7*	**1,386**	649
Share of results of a joint venture		**(158)**	(2,781)
Share of results of an associate		**(1,387)**	(1,282)
Profit before income tax		**911,507**	539,270
Income tax expense	*8*	**(416,590)**	(157,511)
Profit for the year		**494,917**	381,759
Profit attributable to:			
Owners of the Company		**501,517**	386,486
Non-controlling interests		**(6,600)**	(4,727)
		494,917	381,759

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Year ended 31 December	
	Notes	**2019**	2018
		RMB'000	*RMB'000*
Other comprehensive loss for the year			
Item that may be reclassified to profit or loss			
– Currency translation differences		**(29,399)**	(24,550)
Other comprehensive loss for the year, net of tax		**(29,399)**	(24,550)
Total comprehensive income for the year		**465,518**	357,209
Total comprehensive income attributable to:			
Owners of the Company		**472,118**	361,936
Non-controlling interests		**(6,600)**	(4,727)
		465,518	357,209
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	*9*	**0.41**	0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December **2019** *RMB'000*	2018 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**320,264**	330,837
Right-of-use assets		**260,377**	262,703
Investment properties		**187,703**	184,275
Intangible assets		**2,582**	1,854
Other receivables and prepayments	*11*	**12,929**	12,969
Deferred income tax assets		**126,131**	128,899
Investment in a joint venture		**–**	20,559
Investment in an associate		**29,653**	35,326
		939,639	977,422
Current assets			
Inventories		**1,645**	1,816
Contract costs		**23,148**	47,745
Properties under development		**3,955,015**	3,221,273
Completed properties held for sale		**1,772,134**	535,301
Trade and other receivables and prepayments	*11*	**480,736**	218,283
Prepaid taxes		**56,962**	147,602
Financial assets at fair value through profit or loss		**–**	600
Restricted cash		**1,019,118**	264,546
Cash and cash equivalents		**956,933**	218,881
Amounts due from related parties		**7,759**	980,702
		8,273,450	5,636,749
Total assets		**9,213,089**	6,614,171

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at 31 December	
	Notes	**2019**	2018
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**14,746**	–
Other reserves		**1,765,202**	62,643
Retained earnings		**939,006**	486,661
		2,718,954	549,304
Non-controlling interests		**100,455**	103,975
Total equity		**2,819,409**	653,279
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**186,142**	37,082
Bank and other borrowings		**1,379,922**	318,656
Lease liabilities		**62,921**	57,853
		1,628,985	413,591
Current liabilities			
Bank and other borrowings		**1,923,102**	439,436
Trade and other payables	*13*	**2,553,385**	3,900,146
Lease liabilities		**3,743**	2,120
Current income tax liabilities		**234,465**	85,466
Amounts due to related parties		**50,000**	1,120,133
		4,764,695	5,547,301
Total liabilities		**6,393,680**	5,960,892
Total equity and liabilities		**9,213,089**	6,614,171

1. BASIS OF PREPARATION

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("**HKCO**").

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment properties which are carried at fair value.

(c) New standards, amended standards and interpretation adopted by the Group

HKFRS 16	Leases
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements	Annual Improvements to HKFRS Standards 2015-2017 Cycle
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement

HKFRS 16 "Leases" is effective for annual beginning on or after 1 January 2019 and early adopted by the Group since year ended 31 December 2016. Other than HKFRS 16, the rest of the new and amended standards are not early adopted by the Group and did not have a material impact.

(d) New standards and amendments not yet adopted

The following new standards and amendments have been published that are not mandatory for the year ended 31 December 2019 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate and joint venture	Effective date to be determined
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
Amendments to HKFRS 3	Definition of a business	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
HKFRS 17	Insurance contracts	1 January 2021

The Group's assessment of these new standards and amendments did not identify a significant impact on the Group's financial performance and position.

2. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

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

(b) Segment performance

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2019 is as follows:

	Property development and sales *RMB'000*	Commercial property investment *RMB'000*	Hotel operations *RMB'000*	Property management *RMB'000*	Total *RMB'000*
Segment revenue	2,290,345	–	74,449	24,990	2,389,784
Recognised at a point in time	2,290,345	–	–	–	2,290,345
Recognised over time	–	–	74,449	24,990	99,439
Revenue from other sources: rental income	–	36,312	–	–	36,312
Inter-segment revenue	–	(12,093)	(616)	(10,577)	(23,286)
Revenue from external customers	2,290,345	24,219	73,833	14,413	2,402,810
Gross profit	1,124,259	20,389	3,385	(3,801)	1,144,232
Selling and marketing expenses					(131,046)
Administrative expenses					(162,938)
Net impairment losses on financial assets					(236)
Other income					3,731
Other expenses					(3,098)
Other gains – net					61,021
Finance income – net					1,386
Share of results of a joint venture	(158)	–	–	–	(158)
Share of results of an associate	(1,387)	–	–	–	(1,387)
Profit before income tax					911,507
Income tax expense					(416,590)
Profit for the year					494,917
Depreciation and amortisation	13,923	–	15,869	51	29,843
Fair value gains on investment properties – net	–	3,428	–	–	3,428
Segment assets	8,538,314	198,298	348,250	2,096	9,086,958
Segment assets include:					
Interests in an associate	29,653	–	–	–	29,653
Addition to non-current assets (other than financial instruments and deferred income tax assets)	17,299	–	662	129	18,090
Segment liabilities	2,637,528	3,196	18,907	10,418	2,670,049

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2018 is as follows:

	Property development and sales	Commercial property investment	Hotel operations	Property management	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	1,245,754	–	66,903	7,942	1,320,599
Recognised at a point in time	1,245,754	–	–	–	1,245,754
Recognised over time	–	–	66,903	7,942	74,845
Revenue from other sources: rental income	–	15,434	–	–	15,434
Inter-segment revenue	–	(5,413)	(314)	(1,419)	(7,146)
Revenue from external customers	1,245,754	10,021	66,589	6,523	1,328,887
Gross profit	503,733	8,953	421	(517)	512,590
Selling and marketing expenses					(74,225)
Administrative expenses					(124,598)
Net impairment losses on financial assets					(170)
Other income					1,276
Other expenses					(2,759)
Other gains – net					230,570
Finance income – net					649
Share of results of a joint venture	(2,781)	–	–	–	(2,781)
Share of results of an associate	(1,282)	–	–	–	(1,282)
Profit before income tax					539,270
Income tax expense					(157,511)
Profit for the year					381,759
Depreciation and amortisation	9,477	–	16,071	38	25,586
Fair value gains on investment properties – net	–	11,097	–	–	11,097
Segment assets	5,742,952	396,045	334,903	10,772	6,484,672
Segment assets include:					
Interests in a joint venture	20,559	–	–	–	20,559
Interests in an associate	35,326	–	–	–	35,326
Addition to non-current assets (other than financial instruments and deferred income tax assets)	10,847	–	3,839	132	14,818
Segment liabilities	5,050,188	1,816	20,318	7,930	5,080,252

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

(i) ***Segment assets***

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

The Group's deferred income tax assets and financial assets at fair value through profit or loss are not considered to be segment assets but rather are managed on a central basis.

Segment assets are reconciled to total assets as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Segment assets	**9,086,958**	6,484,672
Unallocated:		
– Deferred income tax assets	**126,131**	128,899
– Financial assets at fair value through profit or loss	**–**	600
Total assets	**9,213,089**	6,614,171

(ii) ***Segment liabilities***

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

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

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Segment liabilities	**2,670,049**	5,080,252
Unallocated:		
– Current income tax liabilities	**234,465**	85,466
– Deferred income tax liabilities	**186,142**	37,082
– Short-term borrowings and current portion of long-term borrowings	**1,923,102**	439,436
– Long-term borrowings	**1,379,922**	318,656
Total liabilities	**6,393,680**	5,960,892

3. EXPENSES BY NATURE

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Cost of properties sold – including construction cost, land cost and interest cost	**1,128,901**	708,998
Employee benefit expenses (including directors' emoluments)	**147,799**	111,531
Employee benefit expenditure – including directors' emoluments	**166,570**	136,027
Less: capitalised in properties under development	**(18,771)**	(24,496)
Commission fees	**76,180**	35,900
Hotel operations expenses	**29,417**	28,785
Business taxes and other levies	**20,225**	26,050
Advertising costs	**39,874**	25,523
Entertainment expenses	**19,265**	20,232
Depreciation and amortisation of intangible assets and right-of-use assets	**29,843**	25,586
Listing expenses	**23,546**	10,840
Office and travelling expenses	**11,283**	8,086
Auditor's remuneration	**2,800**	934
Property management fees	**7,596**	1,704
Others	**15,833**	10,951
Total	**1,552,562**	1,015,120

4. OTHER INCOME

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Forfeited customer deposits	**533**	800
Others	**3,198**	476
	3,731	1,276

5. OTHER EXPENSES

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Donations	**1,376**	2,443
Others	**1,722**	316
	3,098	2,759

6. OTHER GAINS – NET

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Interest on financial assets at fair value through profit or loss	**1,832**	9,123
Gains/(losses) on disposals of property, plant and equipment	**199**	(8)
Fair value gains on investment properties	**3,428**	11,097
Gains on disposal of subsidiaries	**59,706**	210,358
Net foreign exchange losses	**(4,144)**	–
	61,021	230,570

7. FINANCE INCOME – NET

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Finance costs		
– Interest expense on bank and other borrowings	**130,413**	62,546
– Interest expense on leases	**2,983**	444
Less:		
– Interest capitalised	**(119,177)**	(62,990)
	14,219	–
Finance income		
– Interest income from bank deposits	**(15,605)**	(649)
Finance income – net	**(1,386)**	(649)

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Current income tax:		
– Corporate income tax	**161,768**	119,717
– Land appreciation tax	**235,356**	85,637
	397,124	205,354
Deferred income tax		
– Corporate income tax	**25,849**	(47,843)
– Land appreciation tax	**(6,383)**	–
	19,466	(47,843)
	416,590	157,511

(a) PRC corporate income tax

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

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

(b) PRC land appreciation tax ("LAT")

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

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

(c) Overseas income tax

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

(d) Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the group companies did not have assessable profit in Hong Kong for the year ended 31 December 2019 (2018: Nil).

9. EARNINGS PER SHARE

In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2019 and 2018, the ordinary shares issued upon the incorporation of the Company, the ordinary shares issued to capitalisation of loan due to ultimate controlling shareholder on 12 November 2019 (Note 12 (a)) and the capitalisation issue on 13 November 2019 (Note 12(b)), were deemed to be issued on 1 January 2018 as if the Company has been incorporated by then.

	As at 31 December	
	2019	2018
Profit attribute to owners of the Company *(RMB'000)*	**501,517**	386,486
Weighted average number of ordinary shares in issue *(in thousand)*	**1,228,999**	1,200,000
Earnings per share – basic *(RMB per share)*	**0.41**	0.32
Earnings per share – diluted *(RMB per share)*	**0.41**	0.32

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

10. DIVIDEND

A dividend in respect of the year ended 31 December 2019 of RMB9.14 cents per ordinary share, amounting to a total dividend of RMB150.5 million, is to be proposed at the annual general meeting on 28 May 2020. These financial statements do not reflect this dividend payable.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Included in current assets:		
Trade receivables – third parties *(Note (a))*	**7,552**	6,645
Other receivables – third parties *(Note (b))*	**319,697**	93,247
Prepayments for acquisition of land use rights	**132,854**	100,330
Other prepayments	**34,445**	31,677
	494,548	231,899
Less: non-current portion	**(12,929)**	(12,969)
Less: impairment	**(883)**	(647)
	480,736	218,283

As at 31 December 2019 and 2018, the fair value of trade and other receivables approximated their carrying amounts.

As at 31 December 2019, trade receivables with net book value of RMB1,190,000 (2018: RMB6,122,000) were pledged as collateral for the Group's bank and other borrowings.

(a) Details of trade receivables are as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Trade receivables – third parties	**7,552**	6,645
Less: allowance for impairment	**–**	–
Trade receivables – net	**7,552**	6,645

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

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Within 90 days	**7,552**	6,645

Trade receivables mainly arise from sales of properties and hotel operations. Proceeds from sale of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements. There is generally no credit period granted to the property purchasers.

The Group's trade receivables are denominated in RMB.

(b) Details of other receivables are as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Deposits for acquisition of land use rights	**275,419**	42,969
Cash advances to third parties	**–**	16,150
Receivables from disposal of a subsidiary	**–**	3,000
Others	**44,278**	31,128
	319,697	93,247
Less: allowance for impairment	**(883)**	(647)
Other receivables – net	**318,814**	92,600

12. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Total
Authorised				
Ordinary share of HK$0.01 each upon incorporation	38,000,000	HK$380,000	RMB336,000	RMB336,000
Issued and fully paid				
At 2 November 2018 (date of incorporation)	1	HK$0.01	RMB0.01	RMB0.01
Issue of shares of HK$0.01 each	2	HK$0.02	RMB0.02	RMB0.02
At 31 December 2018 and 1 January 2019	3	HK$0.03	RMB0.03	RMB0.03
Issue of share in connection with capitalisation of shareholder's loan *(Note (a))*	1	HK$0.01	RMB0.01	RMB0.01
Issue of shares in connection with the capitalisation issue *(Note (b))*	1,199,999,996	HK$12,000,000	RMB10,749,000	RMB10,749,000
Issue of shares in connection with the Company's listing *(Note (b))*	446,173,000	HK$4,462,000	RMB3,997,000	RMB3,997,000
At 31 December 2019	1,646,173,000	HK$16,462,000	RMB14,746,000	RMB14,746,000

(a) On 12 November 2019, the Company issued 1 ordinary share to Sze Ming Limited to settle HK$515,746,000 (RMB461,995,000) due to CHAN Sze Ming Michael, the ultimate controlling shareholder.

(b) On 13 November 2019, the Company issued 1,199,999,996 ordinary shares (HK$0.01 each) to Sze Ming Limited by way of capitalisation of HK$12,000,000 (approximately RMB10,749,000) conditional on the share premium amount of the Company being credited as a result of the global offering (the "**Global Offering**").

On 5 December 2019, the Company issued a total of 400,000,000 ordinary shares at a price of HK$3.16 per share as a result of the completion of the Global Offering.

On 27 December 2019, 46,173,000 shares were issued upon the partial exercise of the over-allotment option in connection with the Global Offering at a price of HK$3.16 per share.

Number of total issued shares of the Company was increased to 1,646,173,000 shares upon completion of the capitalisation issue, the Global Offering and the partial exercise of over-allotment option.

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Trade payables *(Note (a))*	**888,864**	489,454
Notes payable	**156,369**	135,505
Amounts due to non-controlling interests	**62,123**	303,172
Amounts due to original shareholder of a subsidiary acquired	**–**	449,410
Outstanding consideration payables for acquisitions	**52,809**	96,760
Contract liabilities	**1,115,763**	2,053,595
Deposits payables	**54,243**	61,622
Accrued expenses	**37,240**	40,613
Salaries payable	**52,944**	45,985
Other taxes payable	**76,286**	189,266
Interest payable	**6,282**	2,280
Other payables	**50,462**	32,484
	2,553,385	3,900,146

(a) Aging analysis of the trade payables based on invoice dates is as follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
Within 90 days	**508,758**	223,831
Over 90 days and within 365 days	**280,135**	181,705
Over 365 days	**99,971**	83,918
	888,864	489,454

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Overall Performance

During the year, the aggregated contracted sales of the Group, including those of joint ventures and associates, was approximately RMB3,116.3 million, representing a year-on-year growth of 35.6%. The aggregated sales area was approximately 253,000 sq.m., which considerably increased by 157.4% year-on-year.

During the year, the Group's revenue was RMB2,402.8 million (2018: RMB1,328.9 million), representing an increase of 80.8% over 2018. The operating profit was RMB911.7 million (2018: RMB542.7 million), representing an increase of 68.0% over 2018. Profit for the year was RMB494.9 million (2018: RMB381.8 million), representing an increase of 29.6% over 2018. Core net profit amounted to RMB446.9 million, representing an increase of 171.0% as compared with RMB164.9 million in 2018.

Revenue

Our revenue represents consolidated revenue from (i) property development and sales; (ii) hotel operations; (iii) commercial property investment; and (iv) property management which are all derived in the PRC. For the year ended 31 December 2019, revenue of the Group amounted to RMB2,402.8 million (2018: RMB1,328.9 million), representing an increase of 80.8% as compared with the corresponding period in 2018.

Property Development and Sales

We focus on the development of quality residential properties with comfortable and convenient living environment. During the year, revenue from recognised sales of property development of the Group amounted to RMB2,290.3 million, representing an increase of 83.8% as compared with RMB1,245.8 million in 2018. The increase was mainly attributable to higher recognised average selling price ("**ASP**") as well as the aggregate gross floor area ("**GFA**") delivered in 2019.

The following table sets forth the breakdown of our revenue from property development and sales by geographical location for the years ended 31 December 2019 and 2018.

City	Year ended 31 December 2019				Year ended 31 December 2018			
	Recognised revenue from sales of properties	% of recognised revenue from sale of properties	Total GFA delivered	Recognised ASP	Recognised revenue from sales of properties	% of recognised revenue from sale of properties	Total GFA delivered	Recognised ASP
	RMB'000	*%*	*Sq.m.*	*RMB/Sq.m.*	*RMB'000*	*%*	*Sq.m.*	*RMB/Sq.m.*
Guangzhou	**680,963**	**29.7%**	**64,278**	**10,594**	90,073	7.2%	9,309	9,676
Lingshui	**1,504,031**	**65.7%**	**50,427**	**29,826**	1,155,681	92.8%	65,413	17,667
Zhongshan	**66,519**	**2.9%**	**3,017**	**22,048**	–	–	–	–
Tengchong	**28,832**	**1.3%**	**1,514**	**19,043**	–	–	–	–
Others *(Note)*	**10,000**	**0.4%**	**–**	**–**	–	–	–	–
Total/overall	**2,290,345**	**100.0%**	**119,236**	**19,125**	1,245,754	100.0%	74,722	16,672

Note: Others represented service income from property development and management.

Hotel operations

Apart from property development and sales, we also operate Just Stay Hotel and Just Stay Resort under our hotel operations business. During the year of 2019, revenue from hotel operations of the Group amounted to RMB73.8 million, representing an increase of 10.8% as compared with RMB66.6 million in 2018. The increase was primarily attributable to the increased revenue generated from Just Stay Resort.

Commercial property investment

Other than holding properties for development and sales, we also own commercial properties for leasing purpose. During the year of 2019, revenue from commercial property investment of the Group amounted to RMB24.2 million, representing an increase of 142.0% as compared with RMB10.0 million in 2018. The increase was mainly due to increase in total GFA leased throughout the year of 2019.

Property management

We also derived income from our property management provided to purchasers of the residential properties. During the year of 2019, revenue from property management of the Group amounted to RMB14.4 million, representing an increase of 121.5% as compared with RMB6.5 million in 2018. The increase was mainly due to increase in total GFA of the properties under management.

Cost of Sales

Our cost of sales comprise (i) costs of properties sold which are directly associated with the revenue from the property development and sales during the respective year; (ii) costs in relation to the hotel operations; (iii) costs in relation to commercial property investment which are directly associated with rental income derived from our investment properties such as property maintenance expenses; and (iv) costs directly attributable to the provision of property management.

During the year of 2019, cost of sales of the Group amounted to RMB1,258.6 million, representing an increase of 54.2% as compared with that of RMB816.3 million in 2018. The increase in cost of sales was primarily due to increase in recognised revenue in line with the development of the Group's businesses.

Gross profit and gross profit margin

During the year of 2019, the Group's gross profit amounted to RMB1,144.2 million, representing an increase of 123.2% as compared with that of RMB512.6 million in 2018. The Group's gross profit margin increased to 47.6% from 38.6% in 2018.

Our gross profit margin from our property development and sales increased from 40.4% in 2018 to 49.1% in 2019. Such increase was primarily due to (i) contribution from sales of JY Lychee Town Phase II, JY Clearwater Bay No. 3 Phases VI and VII, which attained gross profit margin ranging from 47.8% to 51.1% in 2019 resulting from higher recognised ASP. The total revenue contribution from these three properties accounted for 79.7%, in aggregate, of our total revenue from property development and sales in 2019; and (ii) increase in gross profit margin from sales of JY Clearwater Bay No. 3 Phase III from 40.1% in 2018 to 58.2% in 2019 resulting from the increase in overall recognised ASP. Comparatively, JY Clearwater Bay No. 3 Phase III and JY Lychee Town Phase I, which accounted for 92.9%, in aggregate, to our total revenue from property development and sales in 2018, attained gross profit margin of 40.1% and 46.8% in 2018 respectively, which were relatively lower than the gross profit margin attained by majority of our sales in 2019.

Selling and marketing expenses

Our selling and marketing expenses consist primarily of advertising costs, commission fees, employee benefit expenses and other selling expenses. During the year of 2019, selling and marketing expenses of the Group amounted to RMB131.0 million, representing an increase of 76.6% as compared with RMB74.2 million in 2018. The increase was mainly attributable to (i) increase in advertising costs by RMB14.4 million in relation to certain projects commenced pre-sale in 2019; and (ii) increase in commission fees by RMB40.3 million as a result of increase in revenue from property development and sales. We have capitalised the commission fees incurred as contract costs and subsequently recognised the amounts as expenses when the related revenue are recognised.

Administrative expenses

Administrative expenses primarily comprised of employee benefit expenses, entertainment expenses for our business, office expenses and travelling expenses. During the year of 2019, the Group's administrative expenses amounted to RMB162.9 million, representing an increase of 30.7% as compared with that of RMB124.6 million in 2018, accounting for 6.8% of the revenue (2018: accounting for 9.4% of the revenue), primarily resulted from (i) an increase in employee benefit expenses resulting from the increase of the number of employees; (ii) listing expenses of RMB23.5 million in 2019 (2018: RMB10.8 million); and (iii) an increase in daily administrative expenses to support business expansion of the Group.

Other income and other expenses

Our other income primarily represented forfeited deposits from our customers in relation to the sales of properties. Other expenses primarily represented donations to charitable organisations and regulatory penalties. During the year, the increase in other income from RMB1.3 million in 2018 to RMB3.7 million in 2019 was primarily resulted from increase in penalty income from our suppliers, while other expenses remained relatively stable as compared with that of 2018.

Other gains – net

Our other gains – net primarily represented fair value gains on investment properties, gains on disposal of subsidiaries and interest on financial assets at fair value through profit or loss. During the year of 2019, other gains – net of the Group amounted to RMB61.0 million, representing a decrease of 73.5% as compared with RMB230.6 million in 2018, mainly attributable to gains on disposal of Guangzhou Jinghong Investment Co., Ltd. in 2019 which amounted to RMB59.7 million, while gains on disposal of other subsidiaries in 2018 amounted to RMB210.4 million.

Finance income – net

Finance income – net comprised mainly interest expenses on our bank and other borrowings and leases net of capitalised interest expenses and interest income from bank deposits. The increase of net finance income from RMB0.6 million in 2018 to RMB1.4 million in 2019 was mainly due to increase in finance income by RMB15.0 million primarily from interest income from bank deposits. The increase was partially offset by the increase of interest expense charged to finance costs by RMB14.2 million in 2019.

Income tax expense

Income tax expense increased from RMB157.5 million in 2018 to RMB416.6 million in 2019. The increase was mainly due to increase in (i) LAT of RMB143.3 million resulting from the increase in sale of properties; and (ii) corporate income tax of RMB115.7 million as a result of our increase in assessable income. Our effective tax rate increased from 15.8% in 2018 to 27.5% in 2019 mainly due to income not subject to tax in 2018 primarily in relation to the gains on disposal of a subsidiary.

Profit for the year

As a result of the aforementioned, profit for the year of the Group increased from RMB381.8 million in 2018 to RMB494.9 million in 2019, representing a year-to-year increase of 29.6%. Core net profit amounted to RMB446.9 million, representing an increase of 171.0% as compared with RMB164.9 million in 2018.

Profit attributable to owners of the Company amounted to RMB501.5 million, representing an increase of 29.8% as compared with that of RMB386.5 million in 2018.

The basic and diluted earnings per share amounted to RMB0.41 Yuan (2018: RMB0.32 Yuan).

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group funded and is expected to continue to fund its operations principally from proceeds from the initial public offering (the "**IPO**"), cash generated from its operations, mainly including proceeds from pre-sales and sales of our properties, receipt of rental income, income from hotel operations and property management, as well as borrowings from financial institutions.

Cash positions and fund available

As at 31 December 2019, the total cash and bank balances of the Group were RMB1,976.1 million (31 December 2018: RMB483.4 million), of which RMB957.0 million (31 December 2018: RMB218.9 million) was cash and cash equivalents and RMB1,019.1 million (31 December 2018: RMB264.5 million) was restricted cash.

Pursuant to certain bank loan agreements, the Group is required to place certain cash deposits as securities for borrowings. As at 31 December 2019, the Group has placed cash deposits of RMB930.6 million (31 December 2018: RMB208.6 million) with designated banks as security for bank borrowings.

As at 31 December 2019, the Group's undrawn borrowing facilities were approximately RMB2,828.3 million (31 December 2018: RMB322.5 million).

Borrowings

As at 31 December 2019, the total interest-bearing bank and other borrowings of the Group were RMB3,303.0 million (31 December 2018: RMB758.1 million), of which RMB1,379.9 million (31 December 2018: RMB318.7 million) was included in non-current liabilities and RMB1,923.1 million (31 December 2018: RMB439.4 million) was included in current liabilities of the Group, respectively.

Cost of borrowings

In 2019, the total cost of borrowings of the Group was RMB130.4 million, representing an increase of 108.5% as compared with RMB62.5 million in 2018. The increase was mainly attributable to higher average balance of banking borrowings in 2019. The Group's annual weighted average effective interest rate for the year was 6.43% (2018: 5.74%).

Net gearing ratio

The Group's net gearing ratio increased slightly from 42.0% as at 31 December 2018 to 47.1% as at 31 December 2019, primarily due to increase in total borrowings of RMB2,544.9 million despite the further increase in total equity as a result of the net proceeds from the IPO and profit for the year 2019.

Contingent liabilities

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties. As at 31 December 2019, the outstanding guarantees were RMB1,075.9 million (31 December 2018: RMB894.1 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The Directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

Commitments

As at 31 December 2019, the commitments of the Group for capital and property development expenditure amounted to RMB1,897.0 million (31 December 2018: RMB2,170.2 million).

Currency risks

The Group's businesses are principally conducted in Renminbi ("**RMB**"). As at 31 December 2019, major non-RMB assets and liabilities are cash and cash equivalent, restricted cash, trade and other payables and borrowings, which are denominated in HK Dollar ("**HK$**") or US Dollar ("**US$**"). Fluctuation of the exchange rate of RMB against HK$ or US$ could affect the Group's results of operations.

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

Significant investments, major acquisitions and disposals

(1) On 26 April 2019, Guangzhou Yinong Enterprise Co., Ltd. ("**Guangzhou Yinong**"), Zhongshan Jingyue Investment Co., Ltd.("**Zhongshan Jingyue**", Guangzhou Yinong and Zhongshan Jingyue were indirect wholly-owned subsidiaries of the Group), Zhongshan Yuelai Real Estate Investment ("**Zhongshan Yuelai**") and Zhongshan Longrui Trading Co., Ltd. ("**Zhongshan Longrui**") entered into an agreement, pursuant to which Zhongshan Jingyue acquired the entire interest in Zhongshan Yueheng Corporate Management Co., Ltd. from Zhongshan Longrui at a consideration of RMB118.5 million. Zhongshan Jingyue was owned by Guangzhou Yinong and Zhongshan Yuelai as to 95% and 5%, respectively. The equity transfer was completed on 30 April 2019.

(2) On 11 June 2019, Guangzhou Yinong entered into an equity transfer agreement with Guangzhou Henghui Investment Co., Ltd. ("**Guangzhou Henghui**"), pursuant to which, Guangzhou Henghui acquired the 50.1% equity interest of Guangzhou Jinghong Investment Co., Ltd. from Guangzhou Yinong at a consideration of RMB74.9 million. The disposal was completed on 11 June 2019.

Save as the aforesaid, the Group did not hold other significant investments in, or conduct other material acquisitions and disposals of subsidiaries, associates or joint ventures during the reporting period.

FUTURE STRATEGIES AND PROSPECTS

The Group always endeavours to achieve the goals of high growth, high profit and high quality development, adheres to the development of eco-friendly and people-oriented properties, and actively strives to be a leader of the market segments.

Currently, JY Grandmark has a property portfolio of 30 property projects in Guangdong, Hainan, Yunnan and Hunan, with an aggregate GFA of approximately 3,000,000 sq.m., comprising completed properties available for sale or lease with an aggregate GFA of approximately 220,000 sq.m., properties under development with an aggregate GFA of approximately 820,000 sq.m. and properties held for future development with an aggregate GFA of approximately 1,960,000 sq.m.. The Group has managed to secure a sufficient supply of land resources for property development over the coming three or more years.

On this foundation, JY Grandmark adheres to a prudent and active land acquisition strategy, evaluates and acquires high-quality lands featured with superior ecological environment and humanistic resources, that create favorable conditions for property development and subsequent sales. While continuing to expand our foothold and scale, we strive to maintain the advantages of high profitability. On one hand, the Group will add land parcels of desirable quality to our land reserve in the regions where it has presence, such as acquiring more high-quality lands in the Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區) and Yunnan, so as to gain further market shares in provinces, cities and regions that have established brand advantages; on the other hand, the Group will also evaluate the feasibility of establishing a presence in more potential cities such as Yangtze River Delta, Shaanxi and other regional markets based on core cities and cities with population inflow in the national economic strategic zone.

In terms of product strategy, the Group adheres to a market positioning focusing on high-growth market to meet market demand, focuses on the development of eco-friendly and people-oriented properties with high-quality and high gross profit, and commits to offer high-quality residential properties and living communities for different customer bases, thereby enhancing the Group's branding impact.

Looking ahead to 2020, the global outbreak of Convenors Disease 2019 has affected the global economy and trade. The uncertainty over the global spread of the epidemic may hit confidence of both investors and consumers, coupled with financial market turmoil and general economic activities have been affected by the epidemic, likely resulting in adverse impact on the real estate industry. In view of the above, the Group is cautious about the outlook of the domestic real estate market.

The Group believes that the state may launch economic stimulus measures to promote consumption and safeguard employment, and the central government may introduce policies to support the real estate industry, one of the economic pillars, so as to offset the negative impact of the epidemic in an active manner. In the long run, real estate policies shall remain stable, which will be conductive to promoting the healthy and sustainable development of the real estate industry.

In responding to the national anti-epidemic and traffic control measures, the Group shifted to sell properties on its online sales platform, which has effectively offset the negative impact of the operation suspension of its sales centres. As the domestic epidemics became controllable, the Group's sales centres have gradually resumed operation. In the face of such a challenging market environment, the Group will adhere to sound financial strategies, prudent land purchase strategies, and respond flexibly to the rapidly changing market conditions, in an effort to further consolidate its advantages in the high-growth market segments, and to grasp the continuously increasing housing demand from people with fundamental demand and looking for home upgrade in the long term.

In addition, the Group believes that the real estate market will gradually transit to an era of upgraders from new commodity residential properties dominated by fundamental demand. The demand for upgrading products, vacation products and health care products will increase accordingly. On the other hand, the trend of China's economic consumption upgrade will further promote the growth of high-consumption groups and per capital consumption levels, making homebuyers pay more attention to the "additional attributes" of properties, such as cultural experience, aesthetic experience and comfort experience.

Based on changes in the economic and consumption structure, and the macro policies, JY Grandmark believes that the "stable" development will sustain for a certain period in the real estate market, while the market will become increasingly segmented, consumer demand will be more refined and product categories will be more diversified. The Group will adhere to the development of eco-friendly and people-oriented properties, target at consumer market with growth potential, implement policies according to cities, group customer and regions, aiming to develop high-quality products with unique competitiveness in each market, thereby taking the opportunity and gaining the first-mover advantages in the market segments.

The Group has achieved its goal of IPO in six years, which denotes the recognition and affirmation of the Group by the capital market. After the IPO, while expanding its business scale and promoting diversification, JY Grandmark will continue to adhere to its development positioning of "Eco-friendly and People-oriented Property Developer", maintain financial stability, strengthen its own financing capabilities, improve product development and enhance brand reputation. We are confident that our business will continue to flourish and realise high quality and high earnings. We are committed to delivering satisfactory performance to shareholders of the Company (the "**Shareholders**") and quality works to customers of the Company.

USE OF PROCEEDS FROM THE IPO

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 5 December 2019 (the "**Listing Date**"). Net proceeds from the IPO and partially exercising the over-allotment option received by the Company were approximately RMB1,201.1 million after deducting the underwriting commission and relevant expenses. The net proceeds have been applied for the purpose in accordance with the future plans and use of proceeds as set out in the prospectus of the Company dated 27 November 2019. As at 31 December 2019, the unutilised proceeds were deposited in licensed banks in Hong Kong and China.

Purpose	**Percentage of total amount**	**Net proceeds**	**Utilised amount**	**Unutilised amount**
	RMB in million	*RMB in million*	*RMB in million*	*RMB in million*
– the development costs for certain projects	60%	720.7	63.0	657.7
– acquisition of land parcels	30%	360.3	–	360.3
– general working capital	10%	120.1	8.0	112.1
Total	100%	1,201.1	71.0	1,130.1

EMPLOYEES AND REMUNERATIONS

As at 31 December 2019, the Group had a total of 948 employees (2018: 854 employees). For the year ended 31 December 2019, the Group has recognised staff costs of RMB166.6 million (2018: RMB136.0 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contribution to the Group. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group was committed to cultivating all-level skilled employees. The Group provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group also engaged external experts to provide training courses for its employees from time to time.

CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the corporate governance code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code from the Listing Date to 31 December 2019.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct regarding the securities transactions by the Directors. The Model Code was not applicable to the Directors until the shares were listed on the Stock Exchange on the Listing Date. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code from the Listing Date to 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiary has purchased, sold or redeemed any of the Company's shares during the period from the Listing Date to 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public. Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this announcement, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. WU William Wai Leung, Mr. MA Ching Nam and Mr. LEONG Chong, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. WU William Wai Leung who possesses appropriate accounting and related financial management expertise. The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2019, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2019 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has, in conjunction with the external auditor of the Company, PricewaterhouseCoopers, reviewed the consolidated financial statements for the year ended 31 December 2019, including the accounting policies of the Group.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2019

(a) Since January 2020, the epidemic of Coronavirus Disease 2019 (the "**COVID-19 Outbreak**") has spread across China and other countries and it has affected the business and economic activities of the Group to some extent.

The Directors have assessed the potential impact of the COVID-19 Outbreak to the Group as outlined below:

- The Group does not have property projects in Hubei, which severely affected by the COVID-19 Outbreak, the Directors expect the epidemic would not have a significant impact on the Group's operating results in 2020.

- The Group's rental income and revenue from hotel operations in 2020 could possibly be affected by the epidemic temporarily. Given that the income from the both business lines contributed less than 5% to the Group, the Directors expect the COVID-19 Outbreak would not have a significant impact on the Group's operating results in 2020.

The Group will closely monitor the development of the COVID-19 Outbreak and continue to evaluate its impact on the financial position and operating results of the Group.

(b) The Company issued 15,000,000 units of senior notes at a par value of US$150,000,000 in Hong Kong on 10 March 2020 (the "**2020 Note**"). The interest rate of the 2020 Note is fixed at 7.5% per annum. The 2020 Note will mature after one year from the issue date, and are puttable for early redemption at the principal amount at any time prior to 9 March 2021. The 2020 Note were listed on the Hong Kong Stock Exchange on 11 March 2020.

Except the above, no significant events affecting the Group had occurred during the period from 31 December 2019 to the date of this announcement.

ANNUAL GENERAL MEETING

Annual general meeting of the Company will be held on Thursday, 28 May 2020 (the "**AGM**"). The notice of the AGM will be published and despatched to the Shareholders in accordance with the requirements of the Listing Rules in April 2020.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB9.14 cents per share for the year ended 31 December 2019 (the "**2019 Proposed Final Dividend**"). The 2019 Proposed Final Dividend, if approved, shall be payable on Friday, 12 June 2020 and is subject to the approval of the Shareholders at the AGM. The Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 5 June 2020 will be entitled to the 2019 Proposed Final Dividend.

The 2019 Proposed Final Dividend will be declared in RMB and paid in HK$. The final dividend payable in HK$ will be converted from RMB at the average exchange rate of HK$ against RMB announced by the People's Bank of China on 28 May 2020.

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement of the Shareholders to attend and vote at the AGM

The register of members of the Company will be closed from Monday, 25 May 2020 to Thursday, 28 May 2020 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2020.

(b) For determining the entitlement to the 2019 Proposed Final Dividend

The register of members of the Company will be closed from Wednesday, 3 June 2020 to Friday, 5 June 2020 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the 2019 Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 2 June 2020.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.jygrandmark.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2019 will be despatched to the Shareholders and made available on the above websites in April 2020.

By Order of the Board
JY Grandmark Holdings Limited
Chan Sze Ming Michael
Chairman

Hong Kong, 26 March 2020

As at the date of this announcement, the Board comprises Mr. Chan Sze Ming Michael, Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong, Mr. Wu Xinping, Mr. Xue Shuangyou and Ms. Wei Miaochang as executive Directors, Mr. Ma Ching Nam, CStJ, J.P., Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive Directors.