JINGRUI HOLDINGS LIMITED
景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

UNAUDITED ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2019 was approximately RMB25,159.3 million, representing a year-on-year slight decrease of 0.3%.
- Revenue for the year ended 31 December 2019 was RMB13,285.1 million, representing an increase of approximately 17.9% as compared to last year. Gross profit achieved RMB2,685.2 million with 20.2% gross profit margin.
- For the year ended 31 December 2019, the Group recorded a net profit of RMB1,285.0 million, representing a year-on-year decrease of 1.4%.
- Total assets as of 31 December 2019 was RMB52,363.2 million, representing an increase of 9.4% as compared to that of 31 December 2018.
- As of 31 December 2019, net debt-to-capital ratio was approximately 58%, representing a year-on-year improvement of 6 percentage points. Total cash at bank and on hand (including restricted cash) reached RMB13,748.2 million.
- As at 31 December 2019, land bank of the Group was approximately 4,708,364 sq.m..
- The Board proposed to distribute a final dividend of HKD0.24 per ordinary share for the year ended 31 December 2019.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited ("**Jingrui**" or the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**us**" or "**our**") for the year ended 31 December 2019 (the "**Year**") together with the audited comparative figures for the year ended 31 December 2018. As further explained in the paragraph headed "Review of Unaudited Annual Results" in this announcement, the auditing process for the annual results of the Group for the Year has not been completed as at the date of this announcement.

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	Year ended 31 December **2019** ***RMB'000*** **(Unaudited)**	2018 *RMB'000* (Audited)
Revenue	*4*	**13,285,127**	11,268,203
Cost of sales	*7*	**(10,599,949)**	(8,721,010)
Gross profit		**2,685,178**	2,547,193
Depreciation/Appreciation of investment properties under office and apartment platform		**(21,474)**	388,051
Fair value gains on investment properties under other platforms		**96,022**	54,708
Selling and marketing costs	*7*	**(385,575)**	(307,179)
Administrative expenses	*7*	**(606,562)**	(780,274)
Other income	*5*	**158,470**	68,338
Other gains – net	*6*	**146,740**	228,830
Operating profit		**2,072,799**	2,199,667
Finance income	*8*	**261,507**	53,343
Finance costs	*8*	**(526,987)**	(337,650)
Finance costs – net		**(265,480)**	(284,307)
Share of results of joint ventures		**170,409**	(47,324)
Share of results of associates		**172,148**	172,387
		342,557	125,063
Profit before income tax		**2,149,876**	2,040,423
Income tax expense	*9*	**(864,866)**	(737,532)
Profit for the year		**1,285,010**	1,302,891
Attributable to:			
Equity holders of the Company		**903,591**	1,031,919
Non-controlling interests		**381,419**	270,972
		1,285,010	1,302,891
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share	*10*	**RMB0.65**	RMB0.77
– Diluted earnings per share	*10*	**RMB0.65**	RMB0.77

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Profit for the year	**1,285,010**	1,302,891
Other comprehensive income/(losses) that may be reclassified subsequently to profit or loss		
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	**73,624**	(81,702)
Other comprehensive income/(losses) for the year, net of tax	**73,624**	(81,702)
Total comprehensive income for the year	**1,358,634**	1,221,189
Attributable to:		
Equity holders of the Company	**977,215**	950,217
Non-controlling interests	**381,419**	270,972
	1,358,634	1,221,189

UNAUDITED CONSOLIDATED BALANCE SHEET
As at 31 December 2019

		As at 31 December	
		2019	2018
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**54,839**	71,427
Investment properties		**6,348,172**	7,154,272
Intangible assets		**2,796**	2,845
Investments in joint ventures		**1,012,044**	605,828
Investments in associates		**1,834,909**	583,558
Deferred income tax assets		**274,398**	166,276
Financial assets at fair value through profit or loss		**1,000,587**	551,606
Financial assets at fair value through other comprehensive income		**546,939**	472,104
Trade and other receivables and prepayments	*12*	**757,298**	325,783
		11,831,982	9,933,699
Current assets			
Prepayments for leasehold land		**720,095**	–
Properties held or under development for sale		**17,851,199**	18,541,307
Trade and other receivables and prepayments	*12*	**7,168,200**	6,099,232
Prepaid income taxes		**323,224**	103,312
Restricted cash		**3,064,679**	1,354,871
Cash and cash equivalents		**10,683,523**	11,715,378
Contract acquisition costs		**122,037**	42,241
Financial assets at fair value through profit or loss		**598,250**	92,555
		40,531,207	37,948,896
Total assets		**52,363,189**	47,882,595
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value		**86,634**	86,634
Reserves		**5,220,202**	4,600,358
		5,306,836	4,686,992
Non-controlling interests		**3,799,914**	4,126,155
Total equity		**9,106,750**	8,813,147

UNAUDITED CONSOLIDATED BALANCE SHEET (CONTINUED)
As at 31 December 2019

	Note	As at 31 December 2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**9,607,298**	12,017,359
Deferred income tax liabilities		**1,304,409**	1,321,233
Lease liabilities		**148,124**	–
Derivative financial instruments		**39,420**	–
		11,099,251	13,338,592
Current liabilities			
Trade and other payables	*13*	**14,369,067**	13,472,373
Amounts due to non-controlling interests of subsidiaries		**896,011**	377,894
Contract liabilities		**6,231,044**	4,181,540
Current income tax liabilities		**1,242,200**	1,000,160
Borrowings		**9,398,013**	6,683,404
Lease liabilities		**20,853**	–
Financial liabilities for put option written on non-controlling interests		**–**	15,485
		32,157,188	25,730,856
Total liabilities		**43,256,439**	39,069,448
Total equity and liabilities		**52,363,189**	47,882,595

1 GENERAL INFORMATION

Jingrui Holdings Limited (the "Company") was incorporated in the Cayman Islands on 7 March 2013 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together with the Company, referred to as the "Group") are principally engaged in property development business in the People's Republic of China (the "PRC").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the"Stock Exchange") on 31 October 2013.

These consolidated financial statements are presented in thousands of Renminbi ("RMB' 000"), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statement for the year ended 31 December 2019 but are extracted from those financial statements.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

New standards, amendments and interpretation of HKFRSs effective for 2019

The following new standards, amendments and interpretation have been adopted by the Group for the first time for the financial year beginning on 1 January 2019 and are relevant to the Group's operation.

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

The impact of the adoption of HKFRS 16 is disclosed in Note 3 below. The other newly effective standards, amendments and interpretation to existing standards did not have any significant impact on the Group's results of operation and financial position for the year ended 31 December 2019.

New standards, amendments and interpretation of HKFRSs not yet adopted

Certain new accounting standards, amendments and interpretation of HKFRSs have been published that are not mandatory for the financial year beginning on 1 January 2019 and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new standards, amendments and interpretation, certain of which are relevant to the Group's operation. According to the preliminary assessment made by the directors, the Group does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

3 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 on the Group's financial statements.

The Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The adjustments arising from HKFRS 16 are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8.21%.

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristic;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 Leases and HKFRIC 4 Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities

	RMB'000
Operating lease commitments disclosed as at 31 December 2018	261,675
Less: Short-term leases recognised on a straight-line basis as expense	(7,356)
	254,319
Discounted using the lessee's incremental borrowing rate of the date of initial application, representing additional lease liabilities recognised as at 1 January 2019	182,486
Of which are:	
Current lease liabilities	21,670
Non-current lease liabilities	160,816
	182,486

(c) Measurement of right-of-use assets

Right-of-use assets together with leasehold improvements leased out as long-term rental apartment were classified as investment properties and carried at fair value. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized included in property, plant and equipment as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets related to the following types of assets:

	31 December 2019 *RMB'000*	1 January 2019 *RMB'000*
Investment properties	**90,600**	209,656
Office properties	**35,255**	30,954
	125,855	240,610

(d) The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Consolidated balance sheet (extract)

	31 December 2018 (As previously stated) *RMB'000*	**Adjustments under HKFRS 16** *RMB'000*	**1 January 2019 (Restated)** *RMB'000*
Non-current assets			
Property, plant and equipment	71,427	(1,359)	70,068
Investment properties	7,154,272	209,656	7,363,928
Current assets			
Trade and other receivables and prepayments	6,099,232	(20,896)	6,078,336
Non-current liabilities			
Lease liabilities	–	160,816	160,816
Deferred income tax liabilities	1,321,233	1,229	1,322,462
Current liabilities			
Lease liabilities	–	21,670	21,670
Equity			
Retained earnings	2,735,739	3,686	2,739,425

(e) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

4 REVENUE AND SEGMENT INFORMATION

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

Following the shift in focus to office and apartment platform business by the Group during the second half year of 2018, the previous presentation of segment information based on the property development segment and property investment segment is no longer considered appropriate. The new reporting segment are as follows:

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

The three operating segments are consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the above reportable segments.

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

(a) Revenue

Revenue of the Group consists of the following:

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	***(Audited)***
Revenue from contracts with customers recognised at a point in time		
– Sales of properties	**12,366,104**	10,440,273
– Others	**59,016**	56,894
	12,425,120	10,497,167
Revenue from contract with customers recognised over time		
– Property management service	**441,123**	386,329
– Decoration of properties	**180,264**	250,976
	621,387	637,305
Rental income	**238,620**	133,731
	13,285,127	11,268,203

(b) Segment information

	Year ended 31 December 2019 (Unaudited)					
	Property development platform *RMB'000*	Office and apartment platform *RMB'000*	All other platforms *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	12,421,047	177,686	856,865	13,455,598	(170,471)	13,285,127
Segment profit before income tax expense	1,705,557	219,752	200,770	2,126,079	23,797	2,149,876
Finance income	88,171	31,262	142,074	261,507	–	261,507
Finance costs	(418,608)	(47,780)	(83,454)	(549,842)	22,855	(526,987)
Share of results of joint ventures	(14,804)	185,274	(61)	170,409	–	170,409
Share of results of associates	175,568	–	(3,420)	172,148	–	172,148
Depreciation and amortisation	(18,837)	(2,378)	(4,741)	(25,956)	–	(25,956)
A reconciliation to profit for the year is as follows:						
Total segment profits before income tax expense						2,149,876
Income tax expense						(864,866)
Profit for the year						1,285,010
Segment assets	60,387,536	7,190,836	18,147,370	85,725,742	(33,362,553)	52,363,189
Segment assets include:						
Investments in joint ventures	429,611	582,102	331	1,012,044	–	1,012,044
Investments in associates	1,748,470	–	86,439	1,834,909	–	1,834,909
Additions to non-current assets (other than financial instruments and deferred income tax assets)	666,969	349,919	5,545	1,022,433	–	1,022,433
Segment liabilities	52,388,826	5,831,372	18,028,849	76,249,047	(32,992,608)	43,256,439

	Year ended 31 December 2018 (Audited)					
	Property development platform *RMB'000*	Office and apartment platform *RMB'000*	All other platforms *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	10,629,933	84,817	742,664	11,457,414	(189,211)	11,268,203
Segment profit before income tax expense	1,766,893	192,712	66,118	2,025,723	14,700	2,040,423
Finance income	34,021	129	19,193	53,343	–	53,343
Finance costs	(314,621)	(31,297)	(8,216)	(354,134)	16,484	(337,650)
Share of results of joint ventures	(47,324)	–	–	(47,324)	–	(47,324)
Share of results of associates	158,700	15,192	(1,505)	172,387	–	172,387
Depreciation and amortisation	(4,634)	(3,430)	(6,146)	(14,210)	–	(14,210)
A reconciliation to profit for the year is as follows:						
Total segment profits before income tax expense						2,040,423
Income tax expense						(737,532)
Profit for the year						1,302,891
Segment assets	54,648,239	2,972,632	28,234,958	85,855,829	(37,973,234)	47,882,595
Segment assets include:						
Investments in joint ventures	605,828	–	–	605,828	–	605,828
Investments in associates	574,448	–	9,110	583,558	–	583,558
Additions to non-current assets (other than financial instruments and deferred income tax assets)	257,061	2,205,039	45,184	2,507,284	–	2,507,284
Segment liabilities	46,160,906	2,063,760	25,126,942	73,351,608	(34,282,160)	39,069,448

5 OTHER INCOME

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Gain from acquisition of shares in Ningbo Puhong Investment Management Limited Liability Partnership ("Ningbo Puhong") (a)	**90,428**	–
Government grants	**51,578**	26,969
Compensation income	**2,492**	12,668
Interest income on loans to joint ventures	**13,022**	21,074
Others	**950**	7,627
	158,470	68,338

Note:

(a) In February 2019, the Group acquired 46% equity interests of Ningbo Puhong which indirectly held a property investment company in Shanghai, the PRC, at a total consideration of RMB301,000,000 from a third party seller, and accounted for Ningbo Puhong as a joint venture. Gain on bargain purchase of RMB90,428,000 arising from this acquisition was recognised and recorded as other income.

6 OTHER GAINS – NET

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Fair value gains from financial assets at fair value through profit or loss	**47,232**	62,061
Investment income from financial assets at fair value through other comprehensive income	**14,983**	13,816
Gains from lease modification	**12,987**	–
(Losses)/gains from disposal of property, plant and equipment	**(219)**	430
Changes in fair values of derivative financial instruments	**(34,020)**	–
Gain from disposal of joint ventures	**1,851**	–
Gain from disposal of shares in subsidiaries	**31,378**	–
Gains from deemed disposal of a subsidiary (a)	**85,191**	–
Compensation and late payment charges	**(36,103)**	(11,762)
Disposal gains on investment properties	**14,373**	166,670
Others	**9,087**	(2,385)
	146,740	228,830

Note:

(a) In August 2019, an independent third party injected capital contribution of RMB12,500,000 to Shanghai Pinzhai Decoration Technology Co., Ltd. ("Shanghai Pinzhai"), a non-wholly owned subsidiary of the Group, which has an effective dilution of the Group's interests in Shanghai Pinzhai. After the transaction, the Group lost the control of Shanghai Pinzhai, gains of RMB85,191,000 on re-measurement of the Group's original investment in Shanghai Pinzhai was recognised in the consolidated income statement as other gains.

7 EXPENSES BY NATURE

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of properties sold	**10,069,234**	8,204,721
Cost of properties management	**292,698**	271,491
Cost of design and decoration of properties	**110,985**	154,943
Surcharges	**42,335**	60,764
Accrual of provision for impairment of properties held or under development for sale-net	**11,747**	1,855
Depreciation of property, plant and equipment	**24,679**	12,840
Amortisation of intangible assets	**1,277**	1,370
Bank charges	**11,168**	7,500
Staff costs	**448,060**	453,180
Entertainment expenses	**21,545**	24,369
Stamp duty and other taxes	**30,229**	25,722
Professional fees	**100,518**	186,159
Auditors' remuneration		
– annual audit and interim review	**3,995**	3,940
– non-audit services	**2,400**	455
Sales commission	**67,835**	45,162
Advertising and publicity costs	**80,254**	64,162
Office and meeting expenses	**43,720**	41,850
Rental expenses	**12,160**	58,314
Travelling expenses	**16,673**	23,835
Net impairment losses on financial assets (Note 12)	**4,575**	27,247
Other expenses	**195,999**	138,584
Total cost of sales, selling and marketing costs and administrative expenses	**11,592,086**	9,808,463

8 FINANCE COSTS – NET

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Finance income		
– Interest income on bank deposits and financial assets	**261,507**	53,343
Finance costs		
– Interest on financing arrangements	**(2,004,793)**	(1,535,272)
– Net foreign exchange losses on financing activities	**(57,731)**	(188,965)
– Changes in discounted present value of financial liabilities for put option written on non-controlling interests	**(120)**	(541)
– Interest on lease liabilities	**(14,549)**	–
– Less: Amount capitalised	**1,550,206**	1,387,128
	(526,987)	(337,650)
Net finance costs	**(265,480)**	(284,307)

9 INCOME TAX EXPENSE

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current income tax		
– PRC land appreciation tax	**428,308**	275,706
– PRC corporate income tax	**479,080**	438,053
	907,388	713,759
Deferred income tax	**(42,522)**	23,773
Total income tax charged for the year	**864,866**	737,532

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the "CIT Law"), the CIT rate applicable to the Group's subsidiaries located in the PRC from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The directors of the Company had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. No PRC withholding income tax was accrued for the year ended 31 December 2019 (2018: Nil). The Group controls the dividend policies of these subsidiaries and it has been determined that the remaining earnings will not be distributed in the foreseeable future.

As at 31 December 2019, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB541,406,000 (31 December 2018: RMB372,226,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB5,414,056,000 (31 December 2018: RMB3,722,259,000).

Land appreciation tax

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

10 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2019 and 2018 are calculated by dividing the Group's profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2019	2018
	(Unaudited)	(Audited)
Group's profit attributable to equity holders of the Company *(RMB'000)*	**903,591**	1,031,919
Weighted average number of shares in issue *(in thousand)*	**1,394,723**	1,343,986
Basic earnings per share *(RMB)*	**0.65**	0.77

(b) Diluted earnings per share

	Year ended 31 December	
	2019	2018
	(Unaudited)	(Audited)
Group's profit attributable to equity holders of the Company *(RMB'000)*	**903,591**	1,031,919
Weighted average number of shares in issue *(in thousand)*	**1,394,723**	1,343,986
Effect of dilutive potential ordinary shares in respect of share award scheme *(in thousand)*	**4,747**	1,170
Weighted average number of ordinary shares for diluted earnings per share *(in thousand)*	**1,399,470**	1,345,156
Diluted earnings per share *(RMB)*	**0.65**	0.77

11 DIVIDENDS

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Proposed final dividend of HKD24 cents (2018: HKD30 cents) per ordinary share (a)	**305,261**	359,024

notes:

(a) At a board meeting held on 30 March 2020, the directors proposed a final dividend for the year ended 31 December 2019 of HKD24 cents per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2020 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

(b) A final dividend in respect of the year ended 31 December 2018 of HKD30 cents per ordinary share has been approved at the annual general meeting of the Company held on 7 May 2019. The dividend has been paid out by the Company in May 2019.

(c) The dividend payable as at 31 December 2018 and 31 December 2019 of RMB1,379,000 is the remaining unpaid final dividend declared in 2015 relating to year ended 31 December 2014 (Note 13).

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**652,665**	137,587
Less: Provision for impairment of trade receivables	**(8,246)**	(1,232)
Trade receivables – net	**644,419**	136,355
Amounts due from joint ventures and associates	**2,346,220**	2,073,973
Prepaid taxes and surcharges and input VAT to be deducted	**327,671**	253,164
Receivables arising from disposal of subsidiaries	**22,917**	26,871
Loans due from disposed subsidiaries assumed by third parties	**29,485**	38,276
Tender deposits	**50,000**	–
Deposits with public housing fund centres	**27,653**	36,255
Prepayments of construction costs	**21,542**	15,311
Temporary funding receivables	**134,154**	108,484
Deposits paid for construction work	**377,049**	488,714
Amounts due from non-controlling interests of subsidiaries	**1,931,976**	1,255,702
Deposits paid to secure borrowings	**47,469**	55,700
Prepayments for acquisition of completed properties for sale	**709,391**	1,043,202
Deposits paid for advanced proceeds received from customers	**–**	276,109
Prepayments for investments	**–**	325,783
Deposits for potential investment	**343,248**	262,324
Dividend receivables	**14,745**	–
Net leasing investment receivables	**111,526**	–
Receivables from a third party	**660,126**	–
Others	**172,248**	77,572
Less: Provision for impairment of other receivables	**(46,341)**	(48,780)
	7,925,498	6,425,015
Less: non-current portion	**(757,298)**	(325,783)
	7,168,200	6,099,232

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

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**620,412**	131,493
Between 1 and 2 years	**30,454**	3,987
Between 2 and 3 years	**544**	810
Over 3 years	**1,255**	1,297
	652,665	137,587

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At beginning of the year	**50,012**	17,384
Accrual of provision for receivables impairment from adoption of HKFRS 9 on 1 January 2018	**–**	5,381
Accrual of provision for receivables impairment during the year (Note 7)	**4,575**	27,247
At end of the year	**54,587**	50,012

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above.

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

Trade and other receivable with a total carrying amount of RMB4,463,000 as at 31 December 2019 were pledged as collateral for the Group's borrowings (2018: RMB2,840,000).

As at 31 December 2019 and 31 December 2018, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies：

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
– RMB	**6,922,124**	6,166,481
– USD	**792,313**	16,210
– HKD	**211,061**	242,324
	7,925,498	6,425,015

13 TRADE AND OTHER PAYABLES

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**3,780,651**	4,127,692
Notes payable	**96,078**	298,531
Amounts due to joint ventures and associates	**4,229,631**	2,811,325
Turnover taxes payable	**171,226**	105,855
Electricity fee and cleaning fee collected on behalf	**74,763**	38,588
Deed tax collected on behalf	**2,381**	18,583
Accrued payroll	**30,903**	33,117
Interest payable	**380,654**	221,428
Temporary funding payable	**1,350,005**	1,450,000
Construction deposits received from suppliers	**38,586**	63,693
Deposits received from customers	**21,441**	37,293
Payables for sales commission	**–**	2,091
Consideration payables for acquisition	**846,540**	165,401
Payment received in connection with disposal of subsidiaries	**117,556**	–
Dividend payable to non-controlling interests of certain subsidiaries	**676,929**	–
Dividend payable	**1,379**	1,379
Amount received in connection with the transferring the right of collection of future receivables	**183,969**	1,032,109
Payable to related parties of non-controlling interests	**466,000**	700,000
Deposits received in connection with cooperation with third parties for property development and property investment	**800,000**	1,750,000
Payables for acquisition of equity investments	**943,126**	268,930
Others	**157,249**	346,358
	14,369,067	13,472,373

The aging analysis of trade payables and notes payable, based on the invoice date or service rendered date are follows:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**3,034,446**	4,159,960
Between 1 and 2 years	**749,824**	202,840
Between 2 and 3 years	**57,227**	40,192
Over 3 years	**35,232**	23,231
	3,876,729	4,426,223

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

As at 31 December 2019 and 31 December 2018, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
RMB	**14,086,290**	13,366,876
USD	**281,012**	94,775
HKD	**1,765**	10,722
	14,369,067	13,472,373

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2019, the world has experienced a turbulent year under impacts from factors such as the trade friction between the People's Republic of China (the "**PRC**" or "**China**") and the United States (the "**US**") as well as the Brexit. At the end of the year, Brexit was settled and the first phase of the trade agreement between China and the US also reached a consensus, laying a good foundation for economic development in 2020. Notwithstanding China's economic growth has slowed down, its GDP hit a record high of RMB99 trillion. China's economy has proven to be remarkably resilient against the backdrop of sluggish growth across global markets.

In 2019, China's real estate market has achieved steady development under the guidance of the "stabilizing land prices, stabilizing property prices, and stabilizing expectations" policy, with sales reaching nearly RMB16 trillion. Since the state clearly adheres to the "housing is for accommodation, not for speculation" policy in long-term, housing property now is used for residential purpose. In accordance with the requirements of "adopting differential measures in light of different situations in different cities", local governments have fine-tuned relevant policies based on actual conditions, and the real estate market condition is becoming more rational. At present, the urbanization rate in China has significant distance compared to the developed countries, and the development of the real estate industry still has potential. Under the guidance of national policies, the trend of population to core cities and urban clusters has basically formed. In the future, core cities and metropolitan areas in the first- and second-tiers will have more development opportunities.

In terms of self-owned assets business, the market for long-term rented apartments and office buildings has entered the stage of industry restructuring in 2019. It is expected that the occupancy rates and security of self-owned assets in the central areas of core cities in 2020 will be guaranteed. Reasonable asset allocation may become the theme of the self-owned assets market in 2020.

Since 2020, the coronavirus pandemic (COVID-19) has gradually evolved into a global crisis, and major economies around the world such as the America and Europe have been severely hit, which further affected the development of the global real economy. Countries have introduced policies and measures to combat the epidemic and stabilize the economy. Due to the surrounding situation, China is also exposed to the potential risks of the second attack of the pandemic. This year, China's economy will face greater challenges, and more efforts are required to accomplish the economic development targets and tasks throughout the year. Despite the challenging situation, the development process of China's new urbanization and the great rejuvenation of the Chinese nation will not be wavered by such short-term factors. In accordance with the national development strategy, Jingrui will continue to deeply penetrate into first-tier and second-tier core cities and metropolitan areas, develop and operate real estate projects with high safety margins and stable investment returns, create value for its customers and bring returns to its investors.

BUSINESS OVERVIEW

In 2019, the Group achieved (including those of joint ventures and associates on a 100% basis) contracted sales of approximately RMB25,159.3 million and total contracted gross floor area (**GFA**) sold was approximately 1,208,504 sq.m.. For the year, the Group achieved revenue of RMB13,285.1 million (2018: RMB11,268.2 million), representing an increase of 17.9% as compared to last year. The Group achieved a net profit attributable to equity holders of the Company of RMB903.6 million (2018: RMB1,031.9 million) throughout the year, representing a decrease of 12.4% as compared to last year.

During the Year, revenue from property sales recognized by the Group amounted to RMB12,366.1 million (2018: RMB10,440.3 million), representing an increase of 18.4% as compared to last year. It was mainly due to the increase in GFA of properties delivered by the Group during the Year. Revenue from property sales of the Group accounted for approximately 93.1% of our total revenue for the Year (2018：92.7%), and property sales maintained to the core operating business of the Group. The Group's apartment and office business, which has been deployed since the end of 2017, has gradually generated revenue, and property management service has made significant progress in non-group businesses. The above development of businesses has further enhanced the Group's diversified competitiveness, and the Group has won a good reputation and brand image, while improving customer loyalty and satisfaction.

The Group continues to uphold the development strategy of its cultivation in the Yangtze River Delta region, with a particular focus on the first- and second-tier core cities in the region. In 2019, we obtained 10 projects in Tianjin, Wuhan, Suzhou, Hangzhou, Ningbo, Shanghai, Nanjing and Jiaxing, with approximately 1,300,223 square meters ("**sq.m.**") increase in GFA of land reserve and RMB8,583 million in total project investment. The land cost per sq.m. (based on the estimated GFA) was approximately RMB6,601. As at 31 December 2019, the total GFA for land reserves owned by the Group was approximately 4,708,364 sq.m., which was basically unchanged from the end of the previous year. We expect the land reserves to be sufficient to meet the Group's development needs for the next two to three years. We believe that most of our land reserves are located in the first- and second-tier core cities in the Yangtze River Delta region of China, which is more conducive to the development strategy of its cultivation in the Yangtze River Delta region.

The Group has consistently applied the principle of steady financial management, focusing on maintaining healthy cash flow and guaranteeing capital safety. In January, April and July 2019, the Company issued the 13.00% senior notes due 2020 in the aggregate principal amount of USD150 million, the 10.875% senior notes due 2021 in the aggregate principal amount of USD200 million, and the 12.00% senior notes due 2022 in the aggregate principal amount of USD260 million. We believe that these issuance of senior notes will further optimize our debt structure.

The strong performance in contracted property sales further strengthened our financial position during the Year. As of 31 December 2019, our cash at bank and on hand (including restricted cash) reached RMB13,748.2 million. At the same time, unutilized bank facilities amounted to approximately RMB27,728.3 million. As of 31 December 2019, our net debt-to-equity ratio was approximately 58%. We believe the current liability level is within a reasonable range based on the current development stage of the Group and also matches our operations. The Group will continue to improve its liability level and structure, ensuring that risks well under control, laying a solid foundation for the Group's sustained operations and steady future growth.

We started our business as a customer driven residential property developer, focusing on developing properties accommodating the demand of our target customers. Our products are designed to meet the need of first-time home purchasers and those who intend to upgrade their existing living conditions. These kinds of customers currently constitute a significant portion of all property purchasers in the PRC. As a result, our products have been positioned in accordance with current market trends and government policies. We believe our strategic product positioning and the continuous expansion of our potential customer base as a result of rapid economic growth and accelerating urbanization in the Yangtze River Delta region, together with our rapid-asset-turnover model, has and will continue to contribute to our growth and scalability.

At the same time, in order to better allocate resources, achieve professional management, and promote the achievement of the Group's overall strategic goals, the Group, focusing on the main real estate business, further adjusted and optimized its original five major business platforms in early March 2020 to the five major business platforms, namely, Yan Capital Management (優鉞資管), Jingrui Properties (景瑞地產), Jingrui Capital (景瑞不動產), Jingrui Service (景瑞服務) and Co-Fortune Capital (合福資本). Among which, Yan Capital Management is engaged in real estate fund raising and asset management, realizing the conversion of real estate debt funds to real equity funds; Jingrui Properties focuses on real estate development in the four major urban agglomerations in China and commits to customizing life products and services based on "customer insights"; Jingrui Capital focuses on the urban renewal of first-tier and strong second-tier cities such as Shanghai and Beijing, as well as the developing, holding and lease operation management of apartment and office building; Jingrui Service aims "to be the promoter of ideal life in Chinese cities" as its development goal, provides high-quality property services to various properties such as commercial plazas and high-end apartments; and Co-Fortune Capital is committed to the investment in the real estate ecosystem, using capital as a link to build product and service capabilities that facilitate the main real estate business.

The sudden outbreak of the coronavirus pandemic has caused a certain degree of impact on the overall development of the industry, especially on companies in the industry with tight capital chains. Although Jingrui has always maintained a relatively sound debt level in the industry, it has reserved relatively adequate buffer space under the crisis. When risks arise, we also find the opportunity that gradually emerges from the pandemic to participate in the auction of high-quality land and the mergers and acquisitions of high-quality assets in the fragmented market. We will continue to closely monitor the development of the pandemic, conduct business activities strictly in accordance with standard safety operation procedures throughout the Company, and vigorously minimize the losses that may be caused by the pandemic to the operations. In addition, we will also vigorously strengthen our sales efforts to achieve the established goals for the year. Meanwhile, we will pay close attention to the land market of the city where we are located, carefully carry out risk measurement and assessment, and seize market opportunities to strive for stable and healthy development.

BUSINESS REVIEW

Jingrui Properties

Property Development

In 2019, the Group achieved (including those of joint ventures and associates on a 100% basis) contracted sales of approximately RMB25,159.3 million and total contracted GFA sold was approximately 1,208,504 sq.m.. Our contracted sales were primarily generated from the municipalities and Zhejiang region, which were approximately RMB7,940.8 million and RMB7,848.6 million respectively, representing 31.6% and 31.2% of the total contracted sales, respectively.

Details of the Group's contracted sales in 2019

The following table sets out the geographic breakdown of the Group's contracted sales in 2019:

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB'000*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Shanghai			
Shanghai Jingrui City Park	54,275	2,032,162	37,442
Shanghai Jingrui Upper Riverside	2,068	236,022	114,131
Shanghai Sheshan Yuehu Villa	910	102,600	112,747
Tianjin			
Tianjin The Great Habitat Mansion House	87,630	1,417,815	16,180
Tianjin Sea Blue City	71,337	1,070,955	15,013
Tianjin Jingrui Hanlin	65,594	1,412,914	21,540
Tianjin Jingrui No. 1, Tang Gu Bay	38,062	513,132	13,481
Tianjin No. 6, Tang Gu Bay	30,818	420,675	13,650
Tianjin Liuhe Mingzhu	22,204	279,853	12,604
Tianjin Jingrui Sunny City	229	3,499	15,279
Beijing			
Beijing Jingrui Block A of Cheng Yuan Building	9,699	262,000	27,013
Beijing Jingrui Xinhua Cultural Building Project	2,134	149,510	70,061
Chongqing			
Chongqing Jingrui Royal Bay	4,400	36,144	8,215
Chongqing Jingrui Online Family	154	3,564	23,143
Sub-total of centrally direct-controlled municipalities	**389,514**	**7,940,845**	**20,387**

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB'000*	Contracted ASP *RMB/sq.m.*
Hangzhou			
Hangzhou Joy Mountain	38,168	815,061	21,355
Hangzhou Jingrui Vital House	44,367	2,119,316	47,768
Hangzhou Jingrui Yuan Villa	8,411	288,893	34,347
Hangzhou Jingrui Yangming Valley	7,061	581,981	82,422
Ningbo			
Ningbo Xinghai Land	88,691	841,731	9,491
Ningbo Jingrui Shuiyin Jiangshan	30,778	753,446	24,480
Ningbo Jingrui Xingning Mansion	28,209	784,049	27,794
Ningbo Jingrui Tianfu Yaojiang	25,508	559,059	21,917
Ningbo Jingrui Nobility Mansion	15,180	347,956	22,922
Ningbo Jingrui In Times	5,176	118,965	22,984
Ningbo Jingrui Dignity Mansion	1,463	15,643	10,692
Ningbo Jingrui The Mansion	1,034	13,938	13,480
Ningbo Jingrui Headream Mansion	853	22,406	26,267
Ningbo Jingrui Tili Garden	534	10,411	19,496
Taizhou			
Taizhou Jingrui Maple House	12,581	251,906	20,023
Shaoxing			
Shaoxing Jingrui Dignity Mansion	1,626	14,980	9,213
Shaoxing Jingrui The Mansion	3,827	18,056	4,718
Zhoushan			
Zhoushan Jingrui Titian Garden	20,007	248,855	12,438
Zhoushan Jingrui Peninsula Bay	2,412	41,950	17,392
Sub-total of Zhejiang Province	**335,886**	**7,848,602**	**23,367**

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB'000*	Contracted ASP *RMB/sq.m.*
Suzhou			
Suzhou Changshu Jiangnan Mansion	103,492	2,049,440	19,803
Suzhou Jingrui Majestic Mansion	26,543	869,213	32,747
Suzhou Junyue Tower	24,349	314,391	12,912
Suzhou Jingrui Changshu In Times	9,544	85,078	8,914
Suzhou Qidu Miaogang	4,917	58,427	11,883
Suzhou Jingrui Jade Bay	4,766	59,941	12,577
Nantong			
Nantong Jingrui Nobility Mansion	1,763	29,461	16,711
Nanjing			
Nanjing Hefeng Nan'an	70,732	2,085,904	29,490
Nanjing Xitang Mansion	45,131	143,070	3,170
Nanjing Golden East	17,967	491,231	27,341
Sub-total of Jiangsu Province	**309,204**	**6,186,156**	**20,007**
Wuhan			
Wuhan Jingrui Tianfu Binjiang	166,493	2,330,556	13,998
Wuhan Jingrui Tianfu Peninsula (Houguan Lake Project)	5,620	182,914	32,547
Wuhan Jingrui Wanfu International	1,787	29,178	16,328
Sub-total of Wuhan	**173,900**	**2,542,648**	**14,621**
Car park (lots)	6,307	641,076	
Total	**1,208,504**(1)	**25,159,327**	**20,819**

Note:

(1) Excluding the area of car parks.

Land Bank

As at 31 December 2019, the total land bank of the Group was approximately 4,708,364 sq.m. or approximately 2,157,503 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities for the year ended 31 December 2019

City	Total GFA	Percentage of the Group's Total GFA	GFA Attributable to the Group's Interests	Percentage of GFA Attributable to the Group's Interests
	sq.m.	*%*	*sq.m.*	*%*
Municipalities directly under the central government				
Shanghai	241,133	5.1%	180,836	8.4%
Beijing	39,700	0.9%	37,568	1.8%
Tianjin	1,120,021	23.8%	496,459	23.0%
Chongqing	1,574	0.0%	1,574	0.1%
Sub-total	**1,402,428**	**29.8%**	**716,437**	**33.3%**
Zhejiang Province				
Hangzhou	538,499	11.4%	162,006	7.5%
Ningbo	298,913	6.3%	125,701	5.8%
Shaoxing	40,139	0.9%	40,139	1.8%
Zhoushan	68,475	1.5%	68,475	3.2%
Jiaxing	126,789	2.7%	126,789	5.9%
Sub-total	**1,072,815**	**22.8%**	**523,110**	**24.2%**
Jiangsu Province				
Suzhou	781,421	16.6%	386,695	17.9%
Nanjing	527,453	11.2%	172,503	8.0%
Changzhou	10,527	0.2%	10,527	0.5%
Sub-total	**1,319,401**	**28.0%**	**569,725**	**26.4%**
Wuhan	913,720	19.4%	348,231	16.1%
Total	**4,708,364**	**100.0%**	**2,157,503**	**100.0%**

In 2019, we acquired 10 projects in cities such as Tianjin, Wuhan, Suzhou, Hangzhou, Ningbo, Shanghai, Nanjing and Jiaxing with the total investment amount of these projects being approximately RMB8,583 million, increasing our total GFA of land reserves by approximately 1,300,223 sq.m..

Details of land and property acquisition for the year ended 31 December 2019

City	Project/Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Total Investment	Average Land/ Property Cost (based on the expected total GFA)	Average Land/ Property Cost (based on the expected total GFA above ground)
				sq.m.	*sq.m.*	*sq.m.*	*RMB million*	*RMB/sq.m.*	*RMB/sq.m.*
Tianjin	Lot 6, Tang Gu Bay (Jin Bin Tang (Gua) No. 2018-6)	Commercial & residential	50%	41,595	86,307	62,390	333	3,858	5,337
Tianjin	Lot 03-51, Tang Gu Bay	Commercial & residential	51%	41,202	86,686	61,803	337	3,888	5,453
Tianjin	Lot 03-54, Tang Gu Bay	Commercial & residential	49%	45,463	95,690	68,194	375	3,919	5,499
Ningbo	Core lot 9, Jiangshan Town	Residential	33.76%	44,318	136,531	97,500	1,414	10,357	14,503
Suzhou	Taicang Xinhu Project (Guangzhou Road North Lot)	Residential	100%	32,772	93,305	65,544	348	3,730	5,309
Wuhan	Lot 079, Caidian	Residential	30%	68,635	263,529	199,042	796	3,021	3,999
Shanghai	Xingfulai Project (No. 1300, Yixian Road, Baoshan District)	Commercial	100%		4,910	4,024	106	21,589	26,342
Nanjing	Lot G35, Pukou District	Residential	30%	78,892	292,357	213,007	2,990	10,227	14,037
Hangzhou	Lot 4, Chongxian Xiangyang	Residential	51%	36,385	114,119	80,047	1,005	8,807	12,555
Jiaxing	No. 2019-19, Economic Development Zone, (South Yaojiadang)	Residential	100%	40,957	126,789	90,105	879	6,933	9,755
Total				**430,219**	**1,300,223**	**941,656**	**8,583**	**6,601**	**9,115**

Revenue from Sales of Properties

The revenue from sales of properties for the year was approximately RMB12,366.1 million, representing an increase of 18.4% as compared to last year, and its distribution is mainly as follows:

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui City Park	1,042,960	8.4	28,451	36,658
Shanghai Jingrui The French Lakeside Villa	14,276	0.1	545	26,194
Shanghai Jingrui Upper Riverside	209,796	1.7	1,972	106,387
Jiangsu Province				
Suzhou Jingrui Jade Bay	33,036	0.3	2,852	11,583
Suzhou Jingrui Happy Family Garden	40,382	0.3	2,954	13,670
Suzhou Jingrui Majestic Mansion	1,596,641	12.9	55,508	28,764
Changzhou Jingrui Tianxi	1,339,936	10.8	89,596	14,955
Nantong Jingrui Nobility Mansion	32,746	0.3	2,442	13,410
Zhejiang Province				
Shaoxing Jingrui Dignity Mansion	22,379	0.2	1,854	12,071
Hangzhou Jingrui Shenhua County	15,461	0.1	624	24,777
Hangzhou Jingrui Flange Park	2,697,193	21.8	180,332	14,957
Hangzhou Jingrui Shenhua No. One	34,740	0.3	1,726	20,127
Hangzhou Jingrui Yangming Valley	120,838	1.0	7,515	16,080
Hangzhou Jingrui Yuan Villa	16,039	0.1	1,509	10,629
Zhoushan Jingrui Peninsula Bay	40,181	0.3	2,411	16,666
Taizhou Jingrui Maple House	637,327	5.2	51,226	12,441
Ningbo Jingrui In Times	265,363	2.1	18,146	14,624
Ningbo Jingrui Tianfu Yaojiang	828,079	6.7	45,889	18,045
Ningbo Jingrui Nobility Mansion	1,175,616	9.5	59,017	19,920
Ningbo Jingrui The Mansion	9,171	0.1	945	9,705
Ningbo Jingrui Headream Mansion	282,140	2.3		
Hangzhou Jingrui Majestic Mansion	322,850	2.6		
Chongqing				
Chongqing Jingrui Royal Bay	36,803	0.3	4,860	7,573
Tianjin				
Tianjin Jingrui Hanlin	1,027,172	8.3	52,205	19,676
Other projects	48,720	0.4	6,566	7,420
Subtotal	**11,889,845**	**96.1**	**619,145**	**19,204**
Car park	476,259	3.9	4,517	
Total	**12,366,104**	**100.0**		

Yan Capital Management（優越資管）

Yan Capital Management, as a real estate fund platform of the Group, is an important asset management vehicle of the Group and is principally engaged in real estate fund raising and asset management business. Since its establishment, Yan Capital Management has firmly cultivated fund raising, fund design and investor protection capability, extensively expanded its presence in the capital market and established a cooperative network to access to investors' resources for real estate development and optimize capital structure.

As at 31 December 2019, Yan Capital Management established and promoted 14 funds, with an aggregate size of the funds is approximately RMB6.6 billion and the total size of the existing funds is RMB3.8 billion. The proceeds from fund raising externally in 2019 amounted to approximately RMB2.3 billion. Its first fund of funds, Youbang Private Equity Fund, was successfully issued. At present, Youbang Fund has completed investments in Nanjing Hefeng Nan'an, Tianjin Lot 6, Tang Gu Bay, Tianjin Sea Blue City, Tianjin Lot 03-51, Tang Gu Bay and Tianjin Lot 03-54, Tang Gu Bay, shaping up to its overall business chain of "investment in projects, fund raising, post-investment project management and capital withdrawal". For the Year, Yan Capital Management completed the withdrawal of three funds, with an investment return of over 11%.

Jingrui Capital（景瑞不動產）

In March 2020, based on the development strategy of "large-scope asset management", Jingrui Capital" platform was established by combining Joyride Apartment（悅樘公寓）and Carry Capital（鍇瑞辦公）under Jingrui Holdings, which is designed for investment, development, renovation and operation of rental apartments and office buildings. Jingrui Capital is committed to the holding, management and operation of long-term apartments and office properties, and providing end-to-end services to investors with the guidance of achieving high-quality asset management scale and concentrating on urban renewal and land matching.

During the year, Jingrui Capital acquired Shanghai Xingfulai Project, with an additional apartment area of 4,910 sq.m.. The Maglink Project (Shanghai Lufa Plaza Project), the acquisition of which was completed in February 2019, is currently under renovation. Most of the projects held such as Shanghai Jingrui Keyuan Tower Project and Beijing Jingrui San Quan Apartments Project have been put into operation, bringing stable rental income to the Company. Meanwhile, in order to realize incremental benefits, it also was actively looking for withdraw from the existing projects, such as whole and partial withdrawal from Beijing Chengyuan Building A Project and Beijing Xinhua Wenhua Building Project.

Jingrui Service（景瑞服務）

With economic development and consumption upgrading, value of services has been highly recognized in the capital market in recent years. In March 2020, Jingrui Holdings established the "Jingrui Service" platform with Jingrui Properties as its core. By adhering to the management concept of "focusing on ideal life" and taking the "promoter of ideal life in Chinese cities" as its development objective, Jingrui Service has built high-quality communities with quality consciousness to persue continuous improvement of management services and provide high-standard and customized property management services for customers by meeting customers' increasing demands with positive and enthusiastic attitudes.

During the Year, with the rapid process of urbanization, the business scale of Jingrui Service has gradually expanded. With the guidance of "relying on Shanghai, deeply developing in the Yangtze River Delta and then covering the whole China", it has established property service companies in 36 cities in Tianjin, Chongqing, Zhejiang, Jiangsu, Anhui, Henan and other regions to undertake various property services, including villas, high-end apartments, commercial squares, government office buildings, etc. The contracted GFA has exceeded 25 million sq.m..

Co-Fortune Capital（合福資本）

Co-Fortune Capital, as an asset-light investment platform of the Group, aims to equip the other four major segments with asset management capability. Through "Jingrui", brand name of the Company, being of a listed company, Co-Fortune Capital strives to cultivate its investment management capability in the area of "Real Estate Industrial Chain + Post-Life Service".

In 2019, Co-Fortune Capital made outward investments of RMB25 million, and the total number of investment projects reached 15 with an aggregate investment amount of RMB1,060 million. Co-Fortune Capital completed the withdrawal of its investments in three projects, with an investment return of 21%.

Employees and Remuneration Policies

As at 31 December 2019, we had a total of 3,035 full-time employees (31 December 2018: 3,546). 1,000 of our employees worked in property development operations, 1,829 of our employees were engaged in property management and 206 of our employees worked in customer service and other related operations.

The remuneration package of our employees includes salaries and bonuses. In general, we determine employee salaries based on each employee's qualification, experience, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis for us to determine salary raises, bonuses and promotion. We also review and adjust our remuneration package by referring to the relevant salary survey in real estate industry published by renowned consulting firms. We believe the salaries and benefits that our employees receive are competitive with market standards in each geographic location where we conduct business. In addition, we have also adopted a pre-IPO share award scheme on 6 October 2013 (cancelled on 29 November 2017) and a share award scheme on 29 November 2017, respectively, pursuant to which share awards were granted to selected employees of the Group. In addition, we have also adopted the share option scheme at the Company's annual general meeting held on 7 May 2019. By doing so, share options were granted to selected senior executives of the Group for the purpose that employees are encouraged to grow together with the Company.

The Group's staff costs for the year ended 31 December 2019 amounted to RMB448.1 million (for the year ended 31 December 2018: RMB453.2 million). Staff costs include a remuneration expenses in relation to the share-based payments of RMB13.5 million recognized for the Year (for the year ended 31 December 2018: RMB4.2 million).

We have also established systematic training programs for our employees based on their positions and expertise. For example, the training programs for members of our management teams focus on improving their management and leadership skills. We have also designed trainings for our marketing and sales personnel to improve their sales capabilities. In addition to the internal trainings, we have also engaged external experts or sponsored continuing educations for our employees from time to time.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, the revenue of the Group reached RMB13,285.1 million, representing an increase of 17.9% as compared to RMB11,268.2 million in last year. Our revenue consists of revenue from (i) sales of properties, (ii) property management service, (iii) decoration of properties, (iv) rental income and (v) others. The table below sets forth our revenue for each of the businesses described above and the percentage of total revenue represented for the respective periods indicated:

Revenue by business segments

	2019		2018		
		Percentage of Total Revenue		Percentage of Total Revenue	Year-on-year change
	RMB'000	***%***	*RMB'000*	*%*	*%*
Revenue from contracts with customers recognised at a point in time					
– Sales of properties	**12,366,104**	**93.1**	10,440,273	92.7	18.4
– Others	**59,016**	**0.4**	56,894	0.5	3.7
	12,425,120	**93.5**	10,497,167	93.2	18.4
Revenue from contracts with customers recognized over time					
– Property management service	**441,123**	**3.3**	386,329	3.4	14.2
– Decoration of properties	**180,264**	**1.4**	250,976	2.2	(28.2)
	621,387	**4.7**	637,305	5.6	(2.5)
Rental income	**238,620**	**1.8**	133,731	1.2	78.4
Total	**13,285,127**	**100.0**	11,268,203	100.0	17.9

Revenue from sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 93.1% of our total revenue for the Year.

Our operating results for any given period are dependent upon the GFA and the selling prices of the properties we deliver during such period and the market demand for those properties. Consistent with industry practice, we typically enter into purchase contracts with customers while the properties are still under development but after satisfying the conditions for presales in accordance with the PRC laws and regulations. In general, there is typically at least one year between the time we commence the pre-sales of properties under development and the completion of the construction of such properties. We do not recognize any revenue from the pre-sales of the properties until such properties are completed and the possession of such properties has been delivered to the customers.

During the Year, the properties delivered by the Group mainly included Hangzhou Jingrui Flange Park, Suzhou Jingrui Majestic Mansion, Changzhou Jingrui Tianxi, Ningbo Jingrui Nobility Mansion, Shanghai Jingrui City Park and Tianjin Jingrui Hanlin. Revenue from sales of properties increased by approximately 18.4% to approximately RMB12,366.1 million in 2019 from approximately RMB10,440.3 million in 2018, mainly due to the increase in the GFA of projects (with higher selling price) delivered.

Our property management service revenue represents revenue generated from property management services we provide through our subsidiary, Shanghai Jingrui Property Management Co., Ltd., to owners of all our properties and certain properties developed by third parties. Property management revenue is recognized over the period when our property management services are rendered. In 2019, property management revenue of the Group was approximately RMB441.1 million, representing an increase of approximately 14.2% as compared to that of last year. Our property management revenue increased significantly, primarily due to the continued growth in the total GFA of delivered properties and the increase in the third-party property management fee.

Revenue from decoration of properties represents realised revenue generated from decoration works we provided. In 2019, such revenue of the Group was approximately RMB180.3 million, representing a decrease of 28.2% as compared to that of last year, which was due to the decrease in the number of projects delivered by the Group after decoration during the Year.

Rental income mainly includes operating revenue from leasing our investment properties and certain other completed properties and is recognized on a straight line basis over the relevant lease terms. In 2019, rental income of the Group was approximately RMB238.6 million, representing an increase of 78.4% as compared to that of last year. It was mainly due to the commencement of operation for new projects of properties owned by the apartment and office platform of the Group and the increase in the occupancy rate and rental.

Cost of Sales

Our cost of sales primarily represents the cost we incur directly in property development activities as well as our property management and leasing operations. The principal components of cost of sales for our property development include cost of properties sold, which represents direct construction cost, land use right cost and capitalized interest cost on related borrowings for the purpose of property development during the period of construction.

Our cost of sales increased by 21.5% from RMB8,721.0 million in 2018 to RMB10,599.9 million in 2019, primarily due to the increase of the construction costs.

The table below sets forth information relating to our cost of sales and as a percentage of total cost of sales:

	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**4,135,389**	**39.0**	2,952,733	33.9
Land use right costs	**4,695,809**	**44.3**	4,438,114	50.9
Capitalized interest	**1,238,036**	**11.7**	813,874	9.3
Sub-total: Total cost of properties	**10,069,234**	**95.0**	8,204,721	94.1
Surcharges	**42,335**	**0.4**	60,764	0.7
Provision for impairment of properties held or under development for sale, net	**11,747**	**0.1**	1,855	–
Other costs [(1)]	**476,633**	**4.5**	453,670	5.2
Total	**10,599,949**	**100.0**	8,721,010	100.0

Note:

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

Gross Profit and Gross Profit Margin

Our gross profit increased by 5.4% from RMB2,547.2 million in 2018 to RMB2,685.2 million in 2019. The Group recorded a gross profit margin of approximately 20.2% for the year ended 31 December 2019, compared to that of approximately 22.6% for the year ended 31 December 2018. Our gross profit margin slightly decreased as compared to that of last year, which was mainly due to the increase of construction costs.

Depreciation/Appreciation of investment properties under Office and Apartment platform

For the year ended 31 December 2019, the depreciation of investment properties under office and apartment platform was RMB21.5 million (2018: appreciation of RMB388.1 million). The depreciation of investment properties in 2019 was mainly due to the decrease in the fair value of the leasehold.

Fair Value Gains on Investment Properties under Other Platforms

For the year ended 31 December 2019, the fair value gains on investment properties under other platforms were RMB96.0 million (2018: RMB54.7 million). The fair value gains on investment properties in 2019 were mainly attributable to appreciation of Shanghai Jingrui Upper Riverside.

Selling and Marketing Costs

Our selling and marketing costs increased by 25.5% from RMB307.2 million in 2018 to RMB385.6 million in 2019, the increase is due to the Group's new launches of property projects.

Administrative Expenses

Our administrative expenses decreased by 22.3% from RMB780.3 million in 2018 to RMB606.6 million in 2019. Such a decrease was primarily due to the strengthening of intensive and refined management of various platforms which has effectively reduced administrative expenses.

Other Income and Other Gains, Net

We recorded other income of RMB158.5 million in 2019, compared to other income of RMB68.3 million in 2018. Other income recorded in 2019 mainly included gain arising from acquisition of shares of Ningbo Puhong amounting to RMB90.4 million and the government grants amounting to RMB51.6 million.

We recorded other gains of RMB146.7 million in 2019, compared to other gains of RMB228.8 million in 2018. Other gains recorded in 2019 were primarily due to the re-measurement gain of RMB85.2 million from the introduction of an independent third party cooperator by Shanghai Pinzhai and the gains on the disposal of subsidiaries of RMB31.4 million. Other gains recorded in 2018 were primarily due to the gains from sales of investment properties of RMB166.7 million.

Finance (Costs)/Income, Net

Our finance income increased by 390.6% from RMB53.3 million in 2018 to RMB261.5 million in 2019, primarily as a result of the increase in interest income on bank deposits. Our finance costs increased by 56.1% from RMB337.7 million in 2018 to RMB527.0 million in 2019, mainly due to the increase in borrowing and interest rate.

Share of Results of Joint Ventures/Associates

For the year ended 31 December 2019, our share of results of joint ventures/associates was a gain of RMB342.6 million (2018: RMB125.1 million), mainly because of the increase in income and profit carried forward from some joint ventures/associates during the Year and the increase in fair value of investment properties of a joint venture.

Income Tax Expense

Our income tax expense increased by 17.3% from RMB737.5 million in 2018 to RMB864.9 million in 2019, primarily due to the significant increase in land value-added tax due to the carry-over of high-margin projects.

Profit for the Year

Profit for the Year reached RMB1,285.0 million, of which profit attributable to our equity holders was RMB903.6 million in 2019.

LIQUIDITY AND CAPITAL RESOURCES

The industry in which the Group operates is a capital intensive industry. The Group has been and is expected to continue satisfying its needs of operating capital, capital expenditure and other capital needs with proceeds from pre-sale and sale of properties, loans from commercial banks and other individuals, capital injections from shareholders and issuance of new shares. The Group's need for short-term liquid capital is associated with loan repayment and capital need for operation, and the Group's short-term liquid capital comes from cash balance, proceeds from pre-sale and sale of properties and new loans. The Group's need for long-term liquid capital is associated with capital allocated for new property development projects and repayment of long-term loan, and the Group's sources of long-term liquid capital include loans, capital injections from shareholders and issuance of new shares.

Cash Positions

As at 31 December 2019, our cash at bank and on hand (including restricted cash) was RMB13,748.2 million. Our cash at bank and on hand is mainly denominated in RMB and US dollars. Restricted cash of the Group mainly comprised deposits pledged for borrowings and guarantees in respect of mortgage facilities for certain purchasers of the Group's properties.

Borrowings

Our total outstanding borrowings increased from RMB18,700.8 million as at 31 December 2018 to RMB19,005.3 million as at 31 December 2019. As at 31 December 2019, we had unutilized banking facilities of approximately RMB27,728.3 million. All of the Group's secured borrowings were secured by one or a combination of the following methods: land use rights, properties under development, investment properties, properties, shares of the Company's subsidiaries, bank deposits and/or guarantees by the Company's subsidiaries. As at 31 December 2019, the assets used as collaterals for the borrowings amounted to RMB13,196.4 million (31 December 2018: RMB16,855.3 million). Our borrowings are mainly denominated in RMB and US dollars.

Breakdown of our borrowings by categories

	As at 31 December 2019 *RMB'000*	As at 31 December 2018 *RMB'000*	Change %
Current Borrowings:			
Bank loans, secured	**2,050,250**	1,045,600	96.1
Other loans, secured	**–**	1,055,620	(100.0)
Trust financing arrangements, secured	**124,700**	231,900	(46.2)
Add: current portion of long-term borrowings	**7,223,063**	4,350,284	66.0
Total Current Borrowings	**9,398,013**	6,683,404	40.6
Non-Current Borrowings:			
Bank loans, secured	**4,742,601**	5,392,476	(12.1)
Other loans, secured	**1,459,000**	2,335,000	(37.5)
Trust financing arrangements, secured	**251,700**	1,094,700	(77.0)
Senior notes due 2020, secured	**1,042,469**	–	–
Senior notes due 2020, secured	**2,750,975**	2,724,530	1.0
Senior notes due 2021, secured	**2,429,874**	2,382,473	2.0
Senior notes due 2021, secured	**1,355,493**	–	–
Senior notes due 2022, secured	**1,805,273**	–	–
Corporate bonds due 2019	**–**	946,942	(100.0)
Corporate bonds due 2021	**992,976**	1,491,522	(33.4)
Less: current portion of long-term borrowings	**(7,223,063)**	(4,350,284)	66.0
Total Non-Current Borrowings	**9,607,298**	12,017,359	(20.1)
Total	**19,005,311**	18,700,763	1.6

Breakdown of our borrowings by maturity profiles

	As at 31 December			
	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
Within 1 year	**9,398,013**	**49.5**	6,683,404	35.7
Between 1 and 2 years	**5,916,425**	**31.1**	7,126,294	38.1
Between 2 and 5 years	**3,168,298**	**16.7**	3,923,218	21.0
Over 5 years	**522,575**	**2.7**	967,847	5.2
Total	**19,005,311**	**100.0**	18,700,763	100.0

The proportion of the Group's long-term borrowings in the total borrowings was 50.5% for the year ended 31 December 2019, ensuring the healthy and stable cash flow of the Group in the future.

Interest and foreign exchange losses generated from bank loans, senior notes, corporate bonds and trust financing arrangements and other loans

	Year ended 31 December		Year-on-year
	2019	2018	change
	RMB'000	*RMB'000*	*%*
Finance costs			
– Interest expensed	**454,587**	148,144	206.9
– Net foreign exchange losses resulted from financing activities	**57,731**	188,965	(69.4)
– Amount capitalized	**1,550,206**	1,387,128	11.8
– Interest on lease liabilities	**14,549**	–	–
Total	**2,077,073**	1,724,237	20.5

Net Debt-to-Capital Ratio

As at 31 December 2019, our net debt-to-capital ratio was 58% (31 December 2018: 64%). Net debt-to-capital ratio is calculated as net debt at the end of the period divided by total equity, and multiplied by 100%. Net debt is calculated as total borrowings minus cash and cash equivalents and restricted cash.

CONTINGENT LIABILITIES

We provide mortgage guarantees to banks in respect of the mortgage loans they provided to our customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificate to the customer; or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgage bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans.

As at 31 December 2019, the material contingent liabilities incurred for our provision of guarantees to financial institutions in respect of the mortgage loans they provided to our property purchasers were approximately RMB4,363.1 million (2018: RMB3,862.0 million). In addition, we provided guarantee for certain bank loans amounting to RMB1,484.0 million (2018: RMB930.5 million) for our joint ventures and associates.

Our Directors confirm that we have not encountered defaults by purchasers in which we provided mortgage guarantees that, in aggregate, had a material adverse effect on our financial condition and results of operations.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as of 31 December 2019, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings and other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

INTEREST RATE RISK

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

Our exposure to changes in interest rates is mainly attributable to our borrowings from bank, trust financing providers and senior notes. Borrowings at floating rates expose us to cash flow interest rate risk, while borrowings at fixed rates expose us to fair value interest rate risk. We have not hedged our cash flow or fair value interest rate risk. Our Directors do not anticipate significant impacts on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

FOREIGN EXCHANGE RISK

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risks, except for bank deposits and our senior notes issued in 2017, 2018 and 2019, which were denominated in US dollars.

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME

As of 31 December 2019, the balance of the Group's financial assets at fair value through profit or loss mainly represented the investments in liquid opportunity fund, purchase of wealth management products, and other investments in private funds. The balance of the Group's financial assets at fair value through other comprehensive income mainly represented the investment in unlisted equity securities.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions and disposals in 2019.

FUTURE PLANS FOR MATERIAL INVESTMENT

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

DIVIDEND

The Board proposed to pay a final dividend of HKD0.24 per ordinary share for the year ended 31 December 2019 (2018: HKD0.30) to the shareholders whose names appear on the register of members of the Company on 3 June 2020.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 16 May 2020 to Tuesday, 26 May 2020, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the forthcoming annual general meeting of the Company to be held on Tuesday, 26 May 2020. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 15 May 2020.

The register of members of the Company will be closed from Saturday, 30 May 2020 to Wednesday, 3 June 2020, both days inclusive, in order to determine the identity of the shareholders who are eligible to receive the final dividend. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 29 May 2020. Subject to approval by the shareholders at the annual general meeting of the Company to be held on Tuesday, 26 May 2020, dividend warrants are expected to be despatched to the shareholders by post on or before Friday, 12 June 2020.

Significant events affecting the Group subsequent to 31 December 2019

The issuance of senior notes

As at 4 and 5 March 2020, the Company issued senior notes due 2022 with interest rate of 12.75%, totaling USD190,000,000, the funds raised from which will be used to refinance the existing indebtedness of the Group. Further details of issuing of the senior notes due 2022 were disclosed in the announcements of the Company dated 4 March, 5 March and 12 March 2020.

Disposal of a subsidiary

As at 23 March 2020, the Company sold Shanghai Hao Pei Properties Limited* (上海浩沛置業有限公司), its indirect wholly-owned subsidiary, at consideration of RMB476,000,000, and it is expected that the Company will record a gain of RMB56,177,000 from the disposal, which can bring capital gain for the Group and provide additional working capital. Further details of disposal of the subsidiary were disclosed in the announcement of the Company dated 23 March 2020.

Save as disclosed above, there are no other material events affecting the Group from 31 December 2019 until the date of this annual results announcement.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. During the Year, the Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has been in compliance with the code provisions set out in the CG Code for the Year save for a deviation from the code provision A.2.1 of the CG Code with respect to the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the listing of the Company, Mr. Yan Hao ("**Mr. Yan**") has acted as the co-chairman and the chief executive officer of the Company. Notwithstanding the corporate governance measures adopted by the Company and the appointment of Mr. Chen Xin Ge ("**Mr. Chen**") as the other co-chairman with an aim to balance the power and authority of Mr. Yan, this is a deviation from the code provision A.2.1 of the CG Code. Mr. Yan, as one of the founders of the Group, is instrumental to the Company's growth and business expansion since 1999. The Board considers that vesting the roles of co-chairman and chief executive officer of the Company in Mr. Yan facilitates and maximizes the effectiveness of the execution of the Group's business strategies. The executive functions and day-to-day management of the business are carried out by Mr. Yan as the chief executive officer of the Company. In addition, the Board believes that the powers and authorities of the co-chairmen of the Company have not been concentrated as the responsibilities have been shared between the co-chairmen of the Company. The Board also believes that the balance of power and authority is adequately ensured by the operations of senior management of the Company and the Board, which comprises experienced and high caliber individuals. The Board currently comprises four executive Directors (including Mr. Yan) and three independent non-executive Directors and therefore has a strong independence element in its composition. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

REVIEW OF UNAUDITED ANNUAL RESULTS

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

Due to the epidemic prevention measures and restrictions imposed by some regions across China to control the spread of coronavirus disease (COVID-19), the auditing process for the annual results for the year ended 31 December 2019 has not been completed. The unaudited annual results contained herein have not been agreed with the Company's auditors as required under Rule 13.49(2) of the Listing Rules. The Company will issue an announcement on the audited annual results of the Group upon completion of the auditing process in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The auditing process is expected to be completed by 15 April 2020. The unaudited annual results contained herein have been reviewed and agreed by the audit committee of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all the Directors and each of the Directors has confirmed that he has complied with the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2019, the Company purchased part of notes in an aggregate principal amount of USD5.00 million due April 2020 ("**Repurchased 2020 Notes**") with a total consideration of approximately USD5.05 million (including unpaid interests accrued) and part of notes in an aggregate principal amount of USD3.40 million due October 2021 ("**Repurchased 2021 Notes**") with a total consideration of approximately USD3.30 million (including unpaid interests accrued). Pursuant to terms of the deed regulating the notes due April 2020 and October 2021, the Repurchased 2020 Notes and the Repurchased 2021 Notes were officially cancelled on 13 March 2020 respectively.

Expect for disclosed above, the Company or any of its subsidiaries (other than the trust of the share award scheme) did not purchase, sell or redeem any of the Company's listed securities during the year ended 31 December 2019.

PUBLICATION OF THE UNAUDITED CONSOLIDATED ANNUAL RESULTS AND 2019 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This unaudited annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2019 Annual Report 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 for inspection.

The financial information contained herein in respect of the annual results of the Group for the year ended 31 December 2019 have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors are advised to seek advice from professional parties or financial advisers.

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

Hong Kong, 30 March 2020

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

* *For identification purpose only*