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## JINGRUI HOLDINGS LIMITED

景瑞控股有限公司\*

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

(Stock Code: 01862)

### UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

#### UNAUDITED ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2021 was approximately RMB27,011.1 million, representing a year-on-year increase of 5.9%.
- Revenue for the year ended 31 December 2021 was RMB13,551.6 million, representing an increase of 6.0% as compared to last year. Gross profit achieved RMB2,440.0 million with a gross profit margin of 18.0%.
- For the year ended 31 December 2021, the Group recorded a net profit for the year of RMB393.8 million, representing a decrease of 69.1% as compared to last year.
- Total assets as at 31 December 2021 was RMB63,249.7 million, representing a decrease of 7.4% as compared to that of 31 December 2020.
- As at 31 December 2021, the net debt-to-capital ratio was approximately 94%, representing an increase of 25 percentage points as compared to that of 31 December 2020. Total cash at bank and on hand reached RMB10,991.0 million.
- As at 31 December 2021, land bank of the Group was approximately 4,989,013 sq.m.
- The Board did not recommend the distribution of final dividend for the year ended 31 December 2021.

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 2021 (the “**Year**”) together with the audited comparative figures for the year ended 31 December 2020. As further explained in the paragraph headed “Review of Unaudited Annual Results” in this announcement, due to the implementation of epidemic prevention and control measures and restrictions in some area of China caused by the recurrence of COVID-19 in early 2022, the auditing process for the 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 2021

	Note	Year ended 31 December 2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
<b>Revenue</b>	3	13,551,644	12,782,429
Cost of sales	6	(11,111,689)	(10,278,382)
<b>Gross profit</b>		<b>2,439,955</b>	2,504,047
Appreciation of investment properties under capital platform		37,908	56,687
Fair value gains/(losses) on investment properties under other platforms		1,000	(17,000)
Selling and marketing costs	6	(580,343)	(522,334)
Administrative expenses	6	(650,866)	(664,564)
Other income	4	20,574	223,121
Other gains – net	5	196,213	327,373
<b>Operating profit</b>		<b>1,464,441</b>	1,907,330
Finance income	7	590,338	1,013,552
Finance costs	7	(859,158)	(752,519)
<b>Finance (costs)/income – net</b>		<b>(268,820)</b>	261,033
Share of results of joint ventures		(189,355)	40,609
Share of results of associates		33,992	130,034
		(155,363)	170,643
<b>Profit before income tax</b>		<b>1,040,258</b>	2,339,006
Income tax expense	8	(646,445)	(1,065,502)
<b>Profit for the year</b>		<b>393,813</b>	1,273,504
<b>Attributable to:</b>			
<b>Equity holders of the Company</b>		127,543	958,092
<b>Non-controlling interests</b>		266,270	315,412
		<b>393,813</b>	1,273,504
<b>Earnings per share for profit attributable to equity holders of the Company</b>			
– Basic earnings per share		<b>RMB0.08</b>	RMB0.68
– Diluted earnings per share		<b>RMB0.08</b>	RMB0.68

# UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
<b>Profit for the year</b>	<u>393,813</u>	<u>1,273,504</u>
<b>Other comprehensive income/(losses)</b>		
<i>Items that maybe reclassified subsequently to profit or loss</i>		
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	–	(36,470)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	<u>84,750</u>	<u>–</u>
Other comprehensive income/(losses) for the year, net of tax	<u>84,750</u>	<u>(36,470)</u>
<b>Total comprehensive income for the year</b>	<u>478,563</u>	<u>1,237,034</u>
<b>Attributable to:</b>		
Equity holders of the Company	212,293	921,622
Non-controlling interests	<u>266,270</u>	<u>315,412</u>
	<u>478,563</u>	<u>1,237,034</u>

# UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	As at 31 December 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		94,285	101,330
Right-of-use assets		127,022	129,614
Investment properties		5,893,100	5,950,300
Intangible assets		47,882	75,556
Investments in joint ventures		1,343,964	1,534,959
Investments in associates		998,562	1,635,556
Deferred income tax assets		429,344	295,886
Financial assets at fair value through profit or loss		1,051,261	1,144,684
Financial assets at fair value through other comprehensive income		456,703	486,650
Trade and other receivables and prepayments	11	655,304	753,652
		<b>11,097,427</b>	<b>12,108,187</b>
<b>Current assets</b>			
Prepayments for leasehold land		54,304	1,239,780
Properties held or under development for sale		29,563,157	28,755,174
Trade and other receivables and prepayments	11	9,743,610	10,795,590
Prepaid income taxes		453,714	444,130
Cash at bank and on hand		10,990,955	13,646,489
Contract acquisition costs		253,107	152,707
Financial assets at fair value through profit or loss		988,469	1,161,929
Financial assets at fair value through other comprehensive income		–	15,257
		<b>52,047,316</b>	<b>56,211,056</b>
Non-current asset held for sale		<b>105,000</b>	–
		<b>52,152,316</b>	<b>56,211,056</b>
<b>Total assets</b>		<b>63,249,743</b>	<b>68,319,243</b>
<b>OWNERS' EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		87,813	87,813
Reserves		5,950,678	6,078,734
		<b>6,038,491</b>	<b>6,166,547</b>
<b>Non-controlling interests</b>		<b>5,198,501</b>	<b>5,130,319</b>
<b>Total equity</b>		<b>11,236,992</b>	<b>11,296,866</b>

# **UNAUDITED CONSOLIDATED BALANCE SHEET (CONTINUED)**

*As at 31 December 2021*

	<i>Note</i>	As at 31 December 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		10,919,698	12,304,938
Deferred income tax liabilities		1,171,872	1,421,053
Lease liabilities		124,781	132,597
Trade and other payables	12	1,034,876	—
		<u>13,251,227</u>	<u>13,858,588</u>
<b>Current liabilities</b>			
Trade and other payables	12	13,263,939	18,905,889
Amounts due to non-controlling interests of subsidiaries		1,498,982	1,414,043
Contract liabilities		11,172,786	11,639,042
Current income tax liabilities		2,127,122	2,018,143
Borrowings		10,678,339	9,139,870
Lease liabilities		20,356	21,202
Derivative financial instruments		—	25,600
		<u>38,761,524</u>	<u>43,163,789</u>
<b>Total liabilities</b>		<u>52,012,751</u>	<u>57,022,377</u>
<b>Total equity and liabilities</b>		<u><u>63,249,743</u></u>	<u><u>68,319,243</u></u>

## 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 One Nexus Way, Camana Bay, 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.

The 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 statements for the year ended 31 December 2021 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.

On 22 February 2022, the Company commenced an exchange offer to the bond holders of the senior notes due on 11 March 2022 (the “March 2022 Notes”). On 9 March 2022, a total amount of USD175,330,000 (representing approximately 92.28% of the aggregate principal amount of outstanding existing notes) has been validly exchanged for new senior notes of USD171,113,500 due on 9 September 2023 with an annual interest rate of 12.75%.

In connection with the exchange offer, on 9 March 2022, the Company also successfully solicited consents (the “Consent Solicitation”) from holders of all its other outstanding senior notes such that the events of default provisions under each of them will carve out any cross-default events arising directly or indirectly from any defaults or events of default under the March 2022 Notes.

The remaining outstanding principal amount of USD14,670,000 (equivalent to RMB93,000,000), representing approximately 7.72% of the aggregate principal amount, became due on 11 March 2022 and has not yet been repaid. While the non-payment will not trigger any cross defaults under the Company’s other existing senior notes as a result of the Consent Solicitation, the non-payment, if not waived by the other relevant lenders, will constitute an event of default after 31 December 2021.

The event of default, resulted in certain of the Group’s borrowings amounted to RMB1,438,800,000 (including the over-due senior notes of RMB93,000,000) as at 30 March 2022, becoming immediately repayable (if requested by the lenders), among which RMB1,169,300,000 represented loans with scheduled repayment dates within one year, while RMB269,500,000 represented non-current loans with original maturity dates beyond one year, which would be reclassified as current liabilities, and among which RMB813,000,000 were fully pledged by the Group’s bank deposits. The relevant lender also has the rights to demand the Group to fulfil its guarantee obligation to repay the loan of RMB303,000,000 of an associate.

In addition, a wholly-owned subsidiary of the Group, did not repay the outstanding borrowing principal of RMB96,000,000 due on 31 December 2021 to its non-wholly owned subsidiary, which also constituted an event of default on 31 December 2021. The event of default resulted in certain of the Group's borrowings amounted to RMB293,800,000, as at 31 December 2021, becoming immediately repayable (if requested by the lender), among which RMB136,000,000 represented loans with scheduled repayment dates within one year, while RMB157,800,000 represented non-current loans with original maturity dates beyond one year, which were reclassified as current liabilities as at 31 December 2021. All of such cross-default borrowings were also included in the above-mentioned borrowings of RMB1,438,800,000 as at 30 March 2022.

As at the date of this announcement, the Company has not received any notice regarding acceleration action by the abovementioned lenders.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its cash flows:

- i. Although no demand for immediate repayment has been made by the relevant lenders, the Group has been proactively communicating with the relevant lenders to explain the Group's business, operations, financial condition, and the Group has sufficient financial resources to support the repayments of the relevant loans under original repayment schedules. As at the date of this annual results announcement, based on the status of the ongoing discussions, the directors are of the view that the relevant lenders will not exercise their rights to request the Group for immediate repayment of the loans prior to their scheduled contractual repayment dates;
- ii. The Group will continue to actively adjust sales and pre-sale activities to better respond to market needs, and make efforts to achieve the latest budgeted sales and pre-sales volumes and amounts;
- iii. The Group will continuously enhance payment collection progress from customers in respect of the property sales and pre-sales through closely following up with customers and communicate and coordinate with banks for timely grant of individual mortgage loans to the customers;
- iv. The Group will continue to maintain continuous communication and agree with major constructors and suppliers to arrange payments to these vendors and complete the construction progress as scheduled;
- v. The Group will continue to actively communicate with relevant banks so that the projects can timely secure necessary project development loans for qualified project development;
- vi. The Group will continue to adjust acquisitions of land based on progress of new financing and to ensure continuous development and sales of all existing projects as budgeted without material interruptions; and
- vii. The Group will continuously seek re-finance from other financial institutions, including but not limited to exchange of existing senior notes or other borrowings.

The directors of the Company have reviewed the Group's cash flow forecast prepared by management, which covers a period of at least 12 months from 31 December 2021. They are of the opinion that, taking into account the above-mentioned status, plans and measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from 31 December 2021. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

#### **New standards and amendments of HKFRSs effective for 2021**

The following new standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2021 and are relevant to the Group's operation.

- Interest Rate Benchmark Reform Phase 2 – Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

The newly effective standards and amendments 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 2021.

### 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 2021 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 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.

The Group manages its business by three operating segments based on their products and services, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment:

- Property development platform engages in real estate development in the PRC; and
- Capital 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 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:

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Revenue from contract with customers recognised at a point in time</b>		
– Sales of properties	<b>12,150,385</b>	11,972,528
– Others	<b>56,649</b>	51,644
	<b>12,207,034</b>	12,024,172
<b>Revenue from contract with customers recognised over time</b>		
– Property management service	<b>723,098</b>	526,368
– Decoration of properties	<b>380,475</b>	–
	<b>1,103,573</b>	526,368
<b>Rental income</b>	<b>241,037</b>	231,889
	<b>13,551,644</b>	12,782,429



**(b) Segment information**

	Year ended 31 December 2021 (Unaudited)					
	Property development platform <i>RMB'000</i>	Capital platform <i>RMB'000</i>	All other platforms <i>RMB'000</i>	Total segment <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total Group <i>RMB'000</i>
Segment revenue	<u>12,695,876</u>	<u>190,244</u>	<u>882,642</u>	<u>13,768,762</u>	<u>(217,118)</u>	<u>13,551,644</u>
Segment profit before income tax expense	<u>913,940</u>	<u>(21,904)</u>	<u>187,123</u>	<u>1,079,159</u>	<u>(38,901)</u>	<u>1,040,258</u>
Finance income	444,304	63,818	82,216	590,338	–	590,338
Finance costs	(794,861)	(52,917)	(46,533)	(894,311)	35,153	(859,158)
Share of results of joint ventures	(11,505)	(177,850)	–	(189,355)	–	(189,355)
Share of results of associates	31,583	3,563	(1,154)	33,992	–	33,992
Depreciation and amortisation	<u>(16,944)</u>	<u>(3,856)</u>	<u>(781)</u>	<u>(21,581)</u>	<u>–</u>	<u>(21,581)</u>
A reconciliation to profit for the year is as follows:						
Total segment profits before income tax expense						1,040,258
Income tax expense						<u>(646,445)</u>
Profit for the year						<u>393,813</u>
Segment assets	<u>110,696,344</u>	<u>8,535,922</u>	<u>19,886,915</u>	<u>139,119,181</u>	<u>(75,869,438)</u>	<u>63,249,743</u>
Segment assets include:						
Investments in joint ventures	830,837	513,127	–	1,343,964	–	1,343,964
Investments in associates	901,831	3,564	93,167	998,562	–	998,562
Additions to non-current assets (other than financial instruments and deferred income tax assets)	<u>366,735</u>	<u>4,885</u>	<u>3,844</u>	<u>375,464</u>	<u>–</u>	<u>375,464</u>
Segment liabilities	<u>104,990,760</u>	<u>6,197,169</u>	<u>16,700,164</u>	<u>127,888,093</u>	<u>(75,875,342)</u>	<u>52,012,751</u>

Year ended 31 December 2020 (Audited)

	Property development platform <i>RMB'000</i>	Capital platform <i>RMB'000</i>	All other platforms <i>RMB'000</i>	Total segment <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total Group <i>RMB'000</i>
Segment revenue	<u>11,940,100</u>	<u>177,620</u>	<u>819,621</u>	<u>12,937,341</u>	<u>(154,912)</u>	<u>12,782,429</u>
Segment profit before income tax expense	2,056,398	139,685	101,490	2,297,573	41,433	2,339,006
Finance income	864,466	25,193	123,893	1,013,552	–	1,013,552
Finance costs	(646,533)	(92,580)	(52,908)	(792,021)	39,502	(752,519)
Share of results of joint ventures	39,324	1,615	(330)	40,609	–	40,609
Share of results of associates	132,930	–	(2,896)	130,034	–	130,034
Depreciation and amortisation	<u>(16,298)</u>	<u>(6,903)</u>	<u>(3,870)</u>	<u>(27,071)</u>	<u>–</u>	<u>(27,071)</u>
A reconciliation to profit for the year is as follows:						
Total segment profits before income tax expense						2,339,006
Income tax expense						<u>(1,065,502)</u>
Profit for the year						<u>1,273,504</u>
Segment assets	<u>101,624,806</u>	<u>7,109,564</u>	<u>20,699,113</u>	<u>129,433,483</u>	<u>(61,114,240)</u>	<u>68,319,243</u>
Segment assets include:						
Investments in joint ventures	843,980	690,979	–	1,534,959	–	1,534,959
Investments in associates	1,550,786	–	84,770	1,635,556	–	1,635,556
Additions to non-current assets (other than financial instruments and deferred income tax assets)	<u>256,586</u>	<u>18,843</u>	<u>58,964</u>	<u>334,393</u>	<u>–</u>	<u>334,393</u>
Segment liabilities	<u>93,924,118</u>	<u>5,004,005</u>	<u>19,213,348</u>	<u>118,141,471</u>	<u>(61,119,094)</u>	<u>57,022,377</u>

#### 4 OTHER INCOME

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Compensation income for demolition costs	–	194,734
Government grants	17,232	24,125
Compensation income	3,342	4,142
Others	–	120
	<u>20,574</u>	<u>223,121</u>

#### 5 OTHER GAINS-NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Gains from re-measurement of the existing interests in a joint venture upon obtaining of control	–	97,552
Gains from re-measurement of the existing interests in a subsidiary upon lost of control	–	37,203
Net foreign exchange losses	(73,023)	(40,676)
Fair value gains from financial assets at fair value through profit or loss	122,690	31,033
Investment income from financial assets at fair value through profit or loss	56,412	6,592
Disposal gains of financial assets at fair value through profit or loss	–	491
Investment income from financial assets at fair value through other comprehensive income	14,389	29,394
Gains/(losses) from disposal of property, plant and equipment	310	(104)
Changes in fair values of derivative financial instruments	25,600	13,820
Gain from disposal of shares in an associate	1,061	–
Gain from disposal of shares in subsidiaries	156,584	90,647
Gains from deemed disposal of a subsidiary	–	112,271
Compensation and late payment charges	(110,605)	(40,804)
Others	2,795	(10,046)
	<u>196,213</u>	<u>327,373</u>

## 6 EXPENSES BY NATURE

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

	Year ended 31 December	
	2021	2020
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Audited)
Cost of properties sold	<b>10,280,739</b>	9,816,188
Cost of properties management	<b>515,168</b>	329,505
Cost of design and decoration of properties	<b>93,203</b>	–
Surcharges	<b>54,569</b>	58,481
Accrual of provision for write-down of properties held or under development for sale – net	<b>71,931</b>	7,126
Depreciation of property, plant and equipment	<b>20,110</b>	25,656
Amortisation of intangible assets	<b>1,471</b>	1,415
Bank charges	<b>12,731</b>	8,802
Staff costs ( <i>Note</i> )	<b>495,076</b>	486,333
Entertainment expenses	<b>28,899</b>	26,231
Stamp duty and other taxes	<b>29,070</b>	29,832
Professional fees	<b>127,499</b>	100,857
Auditors' remuneration		
– annual audit and interim review	<b>4,120</b>	4,038
– non-audit services	<b>2,700</b>	2,298
Sales commission	<b>152,962</b>	140,259
Advertising and publicity costs	<b>96,990</b>	84,071
Office and meeting expenses	<b>49,663</b>	47,595
Rental expenses	<b>8,003</b>	13,801
Travelling expenses	<b>16,860</b>	13,957
Net impairment losses on financial assets	<b>62,589</b>	60,090
Impairment losses on goodwill	<b>28,258</b>	–
Other expenses	<b>190,287</b>	208,745
Total cost of sales, selling and marketing costs and administrative expenses	<b>12,342,898</b>	11,465,280

Note: Employees in the Group's subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's subsidiaries in Mainland China contribute funds which are calculated on certain percentage of the average employee salary, subject to a certain ceiling, as agreed by municipal governments to the scheme to fund the retirement benefits of the employees.

The Group's subsidiaries in Hong Kong contribute funds which are calculated on fixed rate of the employee salary of current month subject to a certain ceiling.

Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees.

As at 31 December 2021, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

## 7 FINANCE (COSTS)/INCOME – NET

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Finance income		
– Interest income on bank deposits and financial assets	335,945	363,955
– Net foreign exchange gains on financing activities	254,393	649,597
	<u>590,338</u>	<u>1,013,552</u>
Finance costs		
– Interest on financing arrangements	(2,385,172)	(2,029,932)
– Interest on lease liabilities	(12,439)	(13,216)
– Less: Amounts capitalised	1,538,453	1,290,629
	<u>(859,158)</u>	<u>(752,519)</u>
Net finance (costs)/income	<u>(268,820)</u>	<u>261,033</u>

## 8 INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax		
– PRC land appreciation tax	256,954	551,649
– PRC corporate income tax	669,075	530,870
	<u>926,029</u>	<u>1,082,519</u>
Deferred income tax	<u>(279,584)</u>	<u>(17,017)</u>
Total income tax charged for the year	<u>646,445</u>	<u>1,065,502</u>

## 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 2021 (2020: 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 2021, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB658,962,000 (31 December 2020: RMB639,120,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB6,589,615,000 (31 December 2020: RMB6,391,198,000).

## 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.

## 9 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2021 and 2020 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.

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Group’s profit attributable to equity holders of the Company (RMB’000)	<b>127,543</b>	<b>958,092</b>
Weighted average number of shares in issue (in thousand)	<b>1,536,319</b>	<b>1,402,106</b>
Basic earnings per share (RMB)	<b>0.08</b>	<b>0.68</b>

**(b) Diluted earnings per share**

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Group's profit attributable to equity holders of the Company (RMB'000)	<b>127,543</b>	958,092
Weighted average number of shares in issue (in thousand)	<b>1,536,319</b>	1,402,106
Effect of dilutive potential ordinary shares in respect of share award scheme (in thousand)	<b>497</b>	2,192
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	<b>1,536,816</b>	1,404,298
Diluted earnings per share (RMB)	<b>0.08</b>	0.68

**10 DIVIDENDS**

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Proposed no final dividend (2020: HKD25 cents)	<b>—</b>	322,481

*notes:*

- (a) The Board did not recommend any payment of dividend for the year ended 31 December 2021.
- (b) A final dividend in respect of the year ended 31 December 2020 of HKD25 cents per ordinary share has been approved at the annual general meeting of the Company held on 8 June 2021. The dividend of RMB320,614,000 has been paid out by the Company on 14 July 2021.

## 11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2021	2020
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables	<b>501,722</b>	545,579
Less: Provision for impairment of trade receivables	<b>(38,137)</b>	(26,124)
Trade receivables – net	<b>463,585</b>	519,455
Amounts due from joint ventures and associates	<b>1,861,356</b>	3,124,230
Prepaid taxes and surcharges and input VAT to be deducted (a)	<b>665,090</b>	613,740
Loans due from disposed subsidiaries assumed by third parties (b)	–	13,098
Deposits with public housing fund centres (c)	<b>9,249</b>	11,252
Prepayments of construction costs	<b>25,998</b>	56,469
Temporary funding receivables (d)	<b>114,303</b>	152,999
Deposits paid for construction work	<b>228,035</b>	236,002
Amounts due from non-controlling interests of subsidiaries (e)	<b>3,913,092</b>	3,958,825
Deposits paid to secure borrowings	<b>81,183</b>	26,259
Prepayments for acquisition of completed properties for sale (f)	<b>37,964</b>	82,746
Deposits for potential investment	<b>289,634</b>	299,362
Dividend receivables	<b>34,749</b>	30,228
Net leasing investment receivables	<b>101,132</b>	104,399
Receivables from third parties (g)	<b>1,194,675</b>	620,604
Receivables in connection with the compensation of demolition costs	<b>43,203</b>	133,203
Amounts due from related parties of non-controlling interests of a subsidiary	<b>474,740</b>	748,095
Deposits paid for advanced proceeds received from customers (h)	<b>152,253</b>	–
Others	<b>847,802</b>	906,829
Less: Provision for impairment of other receivables	<b>(139,129)</b>	(88,553)
	<b>10,398,914</b>	11,549,242
Less: non-current portion (i)	<b>(655,304)</b>	(753,652)
	<b>9,743,610</b>	10,795,590

### Notes:

- (a) Turnover taxes and surcharges are levied when the Group receives advances from customers and the prepaid are recorded as prepayments before the relevant revenue is recognised.
- (b) The balance as at 31 December 2020 represented the outstanding amounts originally due by the disposed subsidiaries which have been assumed by the acquirers based on the share purchase agreements and was fully received during the year ended 31 December 2021.
- (c) The balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the transfer of the properties' ownership certificates to these purchasers.



- (d) Temporary funding receivables are funds temporarily advanced to non-related parties, which are non-interest bearing, unsecured and repayable on demand.
- (e) The balance represents the funding provided to non-controlling interests of certain subsidiaries, which are unsecured, non-interest bearing and repayable on demand.
- (f) The balance represents the prepayments paid to third parties for the selling rights of certain completed properties and for decoration work located in Hangzhou.
- (g) The balance as at 31 December 2021 includes the loan principal and interest receivable, totalling USD146,065,000 and HKD322,175,000 (totalling equivalent to RMB1,194,675,000) (31 December 2020: USD93,658,000, equivalent to RMB620,604,000), due from third parties, which will be matured in 2022 and 2023, respectively.
- (h) The balance represented the deposits paid to local government for the advanced proceeds of properties received from customers in Changzhou.
- (i) The balance as at 31 December 2021 includes the long-term portion of the loan principal and interest receivables of RMB568,327,000 (31 December 2020: RMB620,604,000) due from third parties, the long-term portion of net leasing investment receivables of RMB86,977,000 (31 December 2020: RMB89,845,000).

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

	As at <b>31 December 2021</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2020 <i>RMB'000</i> (Audited)
Less than 1 year	<b>384,807</b>	359,428
Between 1 and 2 years	<b>64,773</b>	177,388
Between 2 and 3 years	<b>43,437</b>	7,421
Over 3 years	<b>8,705</b>	1,342
	<hr/> <b>501,722</b> <hr/>	<hr/> 545,579 <hr/>

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

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
At beginning of the year	<b>114,677</b>	54,587
Accrual of provision for receivables impairment during the year	<b>62,589</b>	60,090
At end of the year	<b>177,266</b>	114,677

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 2021 and 2020, the fair value of trade and other receivables approximate their carrying amounts.

Trade and other receivables with a total carrying amount of RMB18,611,000 as at 31 December 2021 (31 December 2020: RMB5,219,000) were pledged as collateral for the Group's borrowings.

As at 31 December 2021 and 31 December 2020, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies :

	<b>As at</b>	<b>As at</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
– RMB	<b>8,912,918</b>	10,629,276
– USD	<b>1,129,974</b>	717,012
– HKD	<b>356,022</b>	202,954
	<b>10,398,914</b>	11,549,242

## 12 TRADE AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables	4,569,378	3,994,211
Notes payable	100,857	144,749
Amounts due to related parties	2,231,294	5,303,035
Turnover taxes payable	1,256,657	912,053
Electricity fee and cleaning fee collected on behalf	105,093	105,946
Deed tax collected on behalf	3,445	1,964
Accrued payroll	35,394	34,541
Interest payable	380,855	394,258
Temporary funding payable	849,943	2,086,956
Construction deposits received from suppliers	48,387	56,621
Deposits received from customers	428,310	84,048
Consideration payables for acquisition	304,141	283,965
Dividend payable to non-controlling interests of certain subsidiaries	286,138	315,963
Amount received in connection with the transferring the right of collection of future receivables (a)	107,656	141,781
Payable to related parties of non-controlling interests of subsidiaries (b)	884,441	1,147,179
Deposits received in connection with cooperation with third parties for property development and property investment	389,386	943,240
Payables for acquisition of equity investments (c)	1,596,778	2,444,060
Payables to third parties (d)	76,027	—
Consideration received in advance for disposal of a property	45,266	—
Others	599,369	511,319
	<b>14,298,815</b>	<b>18,905,889</b>
Less: non-current portion	<b>(1,034,876)</b>	<b>—</b>
	<b>13,263,939</b>	<b>18,905,889</b>

### notes:

- (a) The balance as at 31 December 2021 and 2020 represents the consideration received from a third party in connection with the transferring the right of collection of certain future trade receivables for the remaining receipts from sales of properties.
- (b) The balance represents the payables to related parties of non-controlling interests of certain subsidiaries which are unsecured, non-interest bearing and repayable on demand.
- (c) The balance represents the interest-bearing payables relating to the acquisition of equity interests in certain subsidiaries, joint ventures and associates by the Group from independent third parties. The interest rate is approximately ranging from 7.93%-11.06% per annum, among which RMB131,379,000 are secured by the Company.
- (d) The balance as at 31 December 2021 includes the debt principal and interest payables of USD10,316,000 and RMB10,258,000 (totalling equivalent to RMB76,027,000), which will be matured in 2022.

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

	<b>As at 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Less than 1 year	<b>4,177,532</b>	3,392,791
Between 1 and 2 years	<b>229,376</b>	665,377
Between 2 and 3 years	<b>203,854</b>	41,416
Over 3 years	<b>59,473</b>	39,376
	<hr/>	<hr/>
	<b>4,670,235</b>	4,138,960
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2021 and 31 December 2020, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2021 and 31 December 2020, the carrying amounts of trade and other payables are denominated in below currencies:

	<b>As at 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
RMB	<b>13,800,148</b>	18,655,324
USD	<b>467,191</b>	231,800
HKD	<b>31,476</b>	18,765
	<hr/>	<hr/>
	<b>14,298,815</b>	18,905,889
	<hr/> <hr/>	<hr/> <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

In 2021, the COVID-19 pandemic (“**COVID-19**”) continued to be prevalent around the world, which had a profound effect on the world economy. In face of this complex and challenging environment at home and abroad, the Government of the People’s Republic of China (the “**PRC**” or “**China**”) has calmly responded to the changes and the pandemic which were unprecedented during the past century, and the economy has continued to recover steadily with the economic growth rate among the highest in the world’s major economies. The annual gross domestic product amounted to RMB114,367 billion, representing a year-on-year increase of 8.1% and a two-year average growth rate of 5.1%. The economy of China has become an important force leading the world’s economic recovery.

Looking back, “change” and “regulation” were the main tone of the real estate market in 2021. The central government has insisted on the general tone of “housing is for accommodation, not for speculation”. After the implementation of the “Three Red Lines”, it has intensively introduced policies such as “real estate loan centralized management”, “two concentrations of land supply” and “a pilot program of real estate tax reform” to restrain both supply and demand, and its cumulative number of real estate regulation has reached 586 in 2021. Real estate companies were under pressure in sales and financing, and were more cautious in investment. According to China Index Academy, in 2021, the total consideration of land acquisition by Top 100 real estate enterprises was RMB2.54 trillion, representing a year-on-year decrease of 21.5%. Meanwhile, due to the tightened loan policy, the confidence of property buyers was affected, contract sales also showed a trend of “eventual decrease” and the completion rate of overall industry sales target was significantly lower than that of last year.

Although the overall regulation of the real estate sector became more and more stringent, the central government has also formulated a number of policies to encourage the development of guaranteed rental housing and actively promoted the new-type urbanization and integrated urban-rural development, which will give direction to the development of the industry while pursuing the policy of “housing is for accommodation, not for speculation”. Driven by multiple factors, the real estate development investment of China grew by 4.4% in 2021. The sales area of commodity houses in China was 1,794.33 million square meters (“**sq.m.**”), which increased by 1.9%, and the sales of commodity houses was RMB18,193 billion, which increased by 4.8%, and the overall trend was stable.

Looking ahead, under the main tone of “housing is for accommodation, not for speculation, and differential measures in light of different situations in different cities”, the central government will continue to meet the housing needs of the public. The Company adheres to the positioning that housing is for accommodation, not for speculation, and is also committed to exploring new development models, insisting on renting and buying, accelerating the development of the long-term rental housing market, promoting the construction of affordable housing, supporting the market of commodity houses to better meet the reasonable housing needs of property buyers and achieving stable land prices, housing prices and market expectations so as to promote the virtuous cycle and healthy development of the real estate sector under the policy of differential measures in light of different situations in different cities. Returning to the real demand and pursuing long-termism are compulsory courses for every real estate enterprise in the future.

## Business Overview

In 2021, the Group achieved contracted sales of approximately RMB27,011.1 million (including those of joint ventures and associates on a 100% basis) and total contracted gross floor area (“GFA”) sold was approximately 1,433,005 sq.m.. For the Year, the Group achieved revenue of RMB13,551.6 million (2020: RMB12,782.4 million). The Group achieved a net profit attributable to equity holders of the Company of RMB127.5 million (2020: RMB958.1 million) throughout the Year, representing a decrease of 86.7% as compared to last year.

During the Year, revenue from property sales recognized by the Group amounted to RMB12,150.4 million (2020: RMB11,972.5 million), representing an increase of 1.5% as compared to last year. It was mainly due to the increase in the area of properties delivered during the Year. Revenue from property sales of the Group accounted for approximately 89.7% of our total revenue for the Year (2020: 93.7%), 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 achieved stable revenue, and property management business has made significant progress. 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, and actively expands high-quality projects in key cities around the Yangtze River Delta and Chengdu-Chongqing region. In 2021, we obtained 7 projects in Ningbo, Wuhan, Jinhua, Shanghai, Nanchang and Jiujiang, with approximately 1,205,020 sq.m. increase in total GFA of land reserve and approximately RMB5,294 million in total project investment. The land cost per sq.m. (based on the estimated total GFA) was approximately RMB4,393. In 2021, the Group obtained 2 projects in Jinhua and Jiujiang and successfully expanded its real estate business to 24 cities across the country. As at 31 December 2021, the total GFA for land reserves owned by the Group was approximately 4,989,013 sq.m., keeping basically flat with 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 the PRC, 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 March, April, May, August and September 2021, the Company issued five batches of senior notes of US\$110 million, US\$157 million, US\$33 million, US\$50 million and US\$165 million, which will be due in February 2023, October 2023, October 2023, October 2023 and January 2024 with an interest rate of 14.5%, 12.5%, 12.5%, 12.5% and 12%, respectively. The issuance of such senior notes refinanced the existing debts of the Company and optimized our debt structure.

The performance in contracted property sales further strengthened our financial position during the Year. As at 31 December 2021, our cash at bank and on hand reached RMB10,991.0 million. At the same time, unutilized bank facilities amounted to approximately RMB25,896.4 million. As at 31 December 2021, our net debt-to-equity ratio was approximately 94%. 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, control the asset-liability ratio and other key indicators within the scope of the “Three Red Lines” policy requirements, 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, have contributed 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 the PRC 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 takes "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.

## **BUSINESS REVIEW**

### **Jingrui Properties (景瑞地產)**

#### ***Property Development***

In 2021, the Group achieved contracted sales of approximately RMB27,011.1 million (including those of joint ventures and associates on a 100% basis) and total contracted GFA sold was approximately 1,433,005 sq.m.. Our contracted sales were primarily generated from Jiangsu Province and the municipalities, which were approximately RMB11,771.0 million and RMB7,573.2 million (excluding car parks) respectively, representing 43.6% and 28.0% of the total contracted sales, respectively.

## Details of the Group's contracted sales in 2021

The following table sets out the geographic breakdown of the Group's contracted sales in 2021:

<b>Project Name</b>	<b>Contracted GFA Sold <i>sq.m.</i></b>	<b>Contracted Sales <i>RMB' 000</i></b>	<b>Contracted Average Selling Price <i>RMB/sq.m.</i></b>
<b>Shanghai</b>			
Shanghai Jingrui Jiangshanyue	22,410	1,038,900	46,359
Shanghai Jingrui Upper Riverside	2,140	292,656	136,755
Shanghai Sheshan Yuehu Villa	760	121,100	159,342
Shanghai Jingrui City Park	512	17,731	34,631
Shanghai Jingrui Zhongshan Building	3,013	107,000	35,513
<b>Tianjin</b>			
Tianjin The Great Habitat Mansion House	300	6,500	21,667
Tianjin Yuetiandi	28,310	390,400	13,790
Tianjin Jingrui Yuexitai	19,150	260,400	13,598
Tianjin Jingrui Yujing Tiandi	122,705	2,131,464	17,371
Tianjin Sea Blue City	62,833	955,017	15,199
Tianjin Jingrui No. 1, Tang Gu Bay	17,676	507,344	28,702
Tianjin Jingrui Hanlin	10,382	184,778	17,798
Tianjin Jingrui Sunny City	1,316	7,000	5,319
<b>Chongqing</b>			
Chongqing Jingrui Jiangshan Yufu	53,333	447,331	8,388
Chongqing Jingrui Tianchen Yujing	78,260	1,105,600	14,127
<b>Sub-total of centrally direct-controlled municipalities</b>	<b>423,100</b>	<b>7,573,221</b>	<b>17,899</b>
<b>Hangzhou</b>			
Hangzhou Jingrui Vital House	16,690	371,859	22,280
Hangzhou Jingrui Qinghai	39,668	1,655,356	41,730
Hangzhou Jingrui Haiyi Cuiting	15,080	375,866	24,925
<b>Ningbo</b>			
Ningbo Jingrui Xingning Mansion	763	16,547	21,687
Ningbo Xinghai Land	4,249	53,011	12,476
Ningbo Jingrui In Times	4,786	64,200	13,414
<b>Zhoushan</b>			
Zhoushan Jingrui Peninsula Bay	1,741	18,435	10,589
<b>Sub-total of Zhejiang Province</b>	<b>82,977</b>	<b>2,555,274</b>	<b>30,795</b>



<b>Project Name</b>	<b>Contracted GFA Sold <i>sq.m.</i></b>	<b>Contracted Sales <i>RMB'000</i></b>	<b>Contracted Average Selling Price <i>RMB/sq.m.</i></b>
<b>Suzhou</b>			
Suzhou Jingrui Changshu In Times	11,790	113,100	9,593
Suzhou Jingrui Changshu Jiangnan Mansion	35,800	659,600	18,425
Suzhou Jingrui Taicang Yueting	60,242	779,199	12,934
Suzhou Taicang Luminaries Park	59,291	815,575	13,755
<b>Wuxi</b>			
Wuxi Jingrui Hubin Tianyu	32,150	1,023,400	31,832
<b>Nanjing</b>			
Nanjing Jingrui Xitang Mansion	58,440	1,190,100	20,364
Nanjing Xijiang Ruifu	87,600	2,372,000	27,078
Nanjing Hefeng Nan'an	1,030	12,400	12,039
<b>Yangzhou</b>			
Yangzhou Jingrui Yujing Fenghua	73,750	1,269,900	17,219
Yangzhou Jingrui Tianfu Xingchen (Lot West Lake Suzhuang, New City of West District)	67,202	1,490,996	22,187
<b>Changzhou</b>			
Changzhou Jingrui Chenyun Tianfu	80,920	2,044,700	25,268
<b>Sub-total of Jiangsu Province</b>	<b>568,215</b>	<b>11,770,970</b>	<b>20,716</b>

<b>Project Name</b>	<b>Contracted GFA Sold <i>sq.m.</i></b>	<b>Contracted Sales <i>RMB'000</i></b>	<b>Contracted Average Selling Price <i>RMB/sq.m.</i></b>
<b>Wuhan</b>			
Wuhan Jingrui Tianfu Binjiang	107,463	1,658,932	15,437
Wuhan Jingrui Tianfu Peninsula	3,870	83,100	21,473
Wuhan Jingrui Jiangshanyue	38,030	512,100	13,466
Wuhan Jingrui Jiangnanyue	118,170	1,511,100	12,788
<b>Chengdu</b>			
Chengdu Jingrui Yujing Fenghua, North (Yaqing Project, Wenjiang Guanghua New City)	30,410	470,300	15,465
Chengdu Jingrui Yujing Fenghua, South (Shijichunqiu Project, Wenjiang Guanghua New City)	290	6,000	20,690
<b>Hefei</b>			
Hefei Jingrui Haomen Jindi	10,079	97,448	9,668
<b>Nanchang</b>			
Nanchang Jingrui Hongxing Plaza	33,316	435,877	13,083
Nanchang Jingrui Ruifu	12,986	121,738	9,375
<b>Jiujiang</b>			
Jiujiang Jingrui Ningzhou Mansion	4,099	33,196	8,099
<b>Sub-total of other provinces</b>	<b>358,713</b>	<b>4,929,791</b>	<b>13,743</b>
Car park (lots)	2,101	181,844	
<b>Total</b>	<b>1,433,005<sup>(1)</sup></b>	<b>27,011,100</b>	<b>18,849</b>

*Note:*

(1) Excluding the area of car parks.

## Land Bank

As at 31 December 2021, the total land bank of the Group was 4,989,013 sq.m. or 2,836,708 sq.m. on an attributable basis.

### Breakdown of the Group's land bank by cities for the year ended 31 December 2021

City	Total GFA <i>sq.m.</i>	Percentage of the Group's Total GFA <i>%</i>	GFA Attributable to the Group's Interests <i>sq.m.</i>	Percentage of GFA Attributable to the Group's Interests <i>%</i>
<b>Municipalities directly under the central government</b>				
Shanghai	318,258	6.4	212,186	7.5
Beijing	33,931	0.7	31,800	1.1
Tianjin	660,854	13.2	426,518	15.1
Chongqing	243,855	4.9	196,412	6.9
<b>Sub-total</b>	<b>1,256,898</b>	<b>25.2</b>	<b>866,916</b>	<b>30.6</b>
<b>Zhejiang Province</b>				
Hangzhou	86,866	1.7	86,239	3.0
Ningbo	129,922	2.6	107,492	3.8
Shaoxing	42,033	0.9	42,033	1.5
Zhoushan	901	0.0	901	0.0
Jinhua	84,093	1.7	84,093	3.0
<b>Sub-total</b>	<b>343,815</b>	<b>6.9</b>	<b>320,758</b>	<b>11.3</b>

City	Total GFA <i>sq.m.</i>	Percentage of the Group's Total GFA <i>%</i>	GFA Attributable to the Group's Interests <i>sq.m.</i>	Percentage of GFA Attributable to the Group's Interests <i>%</i>
<b>Jiangsu Province</b>				
Suzhou	799,431	16.0	275,794	9.7
Nanjing	297,933	6.0	19,929	0.7
Wuxi	57,115	1.1	24,063	0.8
Changzhou	198,583	4.0	198,583	7.0
Yangzhou	259,925	5.2	115,763	4.1
<b>Sub-total</b>	<b><u>1,612,987</u></b>	<b><u>32.3</u></b>	<b><u>634,132</u></b>	<b><u>22.3</u></b>
<b>Other Provinces</b>				
Chengdu	151,923	3.0	111,294	3.9
Wuhan	1,055,990	21.2	522,565	18.4
Nanchang	385,205	7.7	235,287	8.4
Jiujiang	182,195	3.7	145,756	5.1
<b>Sub-total</b>	<b><u>1,775,313</u></b>	<b><u>35.6</u></b>	<b><u>1,014,902</u></b>	<b><u>35.8</u></b>
<b>Total</b>	<b><u>4,989,013</u></b>	<b><u>100.0</u></b>	<b><u>2,836,708</u></b>	<b><u>100.0</u></b>

In 2021, we acquired 7 projects in cities such as Ningbo, Wuhan, Jinhua, Shanghai, Nanchang and Jiujiang with the total investment amount of these projects being approximately RMB5,294 million, increasing our total GFA of land bank by approximately 1,205,020 sq.m..

## Details of land and property acquisition for the year ended 31 December 2021

City	Project/Land Parcel	Land Use	Attributable Interest %	Site Area sq.m.	Expected Total GFA sq.m.	Expected Total GFA	Total Investment RMB million	Average Land/Property Cost (based on the expected total GFA) RMB/sq.m.	Average Land/Property Cost (based on the expected total GFA) RMB/sq.m.
						Above Ground sq.m.			
Ningbo	Land lot 19-72, Xidian Town, Ninghai County	Residential	100	24,703	84,417	62,103	209	2,476	3,365
Wuhan	No.145 Jiangxia Wulijie P(2020)	Residential	54	67,854	187,943	146,702	540	2,873	3,681
Jinhua	Land lot on the east side of the civil square of Wuyi County	Residential	100	41,687	80,270	50,024	780	9,717	15,592
Shanghai	Hongqiao Lianghua Project	Commercial integrated	25	16,702	64,938	37,575	438	6,745	11,657
Wuhan	Caidian Sino-French Youxuan Project	Residential	54	50,264	133,544	102,136	452	3,385	4,425
Jiujiang	Ningzhou Mansion	Residential	80	130,080	406,097	318,010	1,462	3,600	4,597
Nanchang	Ruifu	Residential	80	93,807	247,811	191,214	1,413	5,702	7,390
Total				425,097	1,205,020	907,764	5,294	4,393	5,832

## Revenue from Sales of Properties

The revenue from sales of properties for the Year was approximately RMB12,150.4 million, representing an increase of 1.5% as compared to last year, and its distribution is mainly as follows:

	Revenue RMB' 000	Percentage of Total Revenue %	GFA sq.m.	Average Selling Price RMB/sq.m.
<b>Shanghai</b>				
Shanghai Jingrui City Park	28,472	0.2	969	29,383
Shanghai Jingrui Upper Riverside	422,364	3.5	3,536	119,447
Shanghai Jingrui Xinmei Mansion	41,678	0.3	2,933	14,210

	Revenue RMB' 000	Percentage of Total Revenue %	GFA sq.m.	Average Selling Price RMB/sq.m.
<b>Jiangsu Province</b>				
Suzhou Jingrui Sino Park	420,971	3.5	22,374	18,815
Suzhou Jingrui Huyu Shangyuan	371,715	3.1	22,804	16,300
Suzhou Jingrui Taicang Yueting	206,614	1.7	17,227	11,994
Nanjing Jingrui Xitang Mansion	376,297	3.1	14,713	25,576
<b>Zhejiang Province</b>				
Hangzhou Jingrui Vital House	32,122	0.3	757	42,433
Hangzhou Jingrui Haiyi Cuiting	1,512,311	12.4	71,288	21,214
Hangzhou Jingrui Yangming Valley	29,011	0.2	1,190	24,379
Hangzhou Jingrui Yuan Villa	26,847	0.2	2,190	12,259
Ningbo Jingrui Xingning Mansion	8,101	0.1	593	13,661
Ningbo Jingrui In Times	11,073	0.1	1,103	10,039
Ningbo Jingrui Shuiyin Jiangshan	2,216,455	18.2	93,198	23,782
<b>Tianjin</b>				
Tianjin Jingrui Hanlin	105,017	0.9	6,069	17,304
Tianjin Jingrui No. 1, Tang Gu Bay	12,492	0.1	1,081	11,556
Tianjin Jingrui Yuexitai	175,472	1.4	15,089	11,629
<b>Wuhan</b>				
Wuhan Jingrui Tianfu Peninsula	47,593	0.4	2,128	22,365
Wuhan Jingrui Tianfu Binjiang	1,470,297	12.1	138,232	10,636
<b>Nanchang</b>				
Nanchang Jingrui Hongxing Plaza	1,951,631	16.1	169,261	11,530
Jiujiang Jingrui Ningzhou Mansion	1,368,974	11.3	223,903	6,114
Nanchang Jingrui Ruifu	977,297	8.0	113,904	8,580
Other projects	7,163	0.1	998	7,177
<b>Sub-total</b>	<b>11,819,967</b>	<b>97.3</b>	<b>925,540</b>	<b>12,774</b>
Car park (lots)	330,418	2.7	4,662	
<b>Total</b>	<b>12,150,385</b>	<b>100.0</b>		

## **Yan Capital Management (優鉞資管)**

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 the capital structure.

Up to 31 December 2021, Yan Capital Management has established and promoted 25 funds, with an aggregate size of the funds of approximately RMB9.22 billion and the total size of the existing funds is RMB3.96 billion. The proceeds from fund raising externally in 2021 amounted to approximately RMB1.35 billion. In 2021, the withdrawal of five funds including Youbang Fund (優邦基金) and Yousu Fund (優蘇基金) was realized, with an average exit yield of 12.5%.

## **Jingrui Capital (景瑞不動產)**

In March 2020, based on the development strategy of “large-scale asset management”, Jingrui Capital platform was established by combining and upgrading Joyride Apartment (悅樺公寓) and Carry Capital (錯瑞辦公) under Jingrui, which are 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 rental 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 overcame the impact of the COVID-19, and all projects are in normal operation, except for Shanghai Hongqiao Lianghua Project which was still under renovation. As at 31 December 2021, the time-point occupancy rate of apartment projects was 94.9% and the time-point occupancy rate of office projects was 78.5%. In April 2021, Shanghai Hongqiao Lianghua Project, with a total GFA of 64,938 sq.m., was acquired through acquisition of minority interests and cooperation with foreign top-tier funds, which was completed in December 2021. The acquisition of the project opened up a new model for the operations of our real estate business. At the same time, in December 2021, Jingrui Capital exited from the Shanghai Jingrui Zhongshan Building Project through disposal of assets, which is expected to be completed in the second quarter of 2022.

## **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 established the “Jingrui Service” platform with Jingrui Properties as its carrier. 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 pursue continuous improvement of management services and provides 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 marketization, 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”, at present, it has presence in more than 50 cities, such as Shanghai, Zhejiang, Jiangsu, Anhui, Hunan, Tianjin, Chongqing, etc. Its contracted GFA has exceeded 50 million sq.m., providing high-quality, professional property services for 220,000 customers. Its property portfolio covers residential, commercial complex, office buildings, parks, schools, banks, hospitals, government constructions and other types of properties. In 2021, Jingrui Service adopted a more proactive strategy of extension and mergers and acquisitions, and entered into the urban service field through investment and mergers and acquisitions. At the same time, it actively participated in the mixed reforms of local governments, innovated the mode of government-enterprise cooperation, obtained high-quality state-owned resources, and embarked on a development path with its own characteristics.

## **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 operation capability. Through “Jingrui”, the brand name of the Company, which is a listed company, Co-Fortune Capital strives to cultivate its investment management capability in the area of “Real Estate Industrial Chain + Post-Life Service”.

As of 31 December 2021, the total number of investment projects of Co-Fortune Capital reached 15 with an aggregate investment amount of RMB1,164 million. During the Year, Co-Fortune Capital has successfully exited Grail and part of Yuansheng Fund (元生基金), totaling RMB140 million, of which the internal return rate of the Grail reached 24%.

## **Employees and Remuneration Policies**

As at 31 December 2021, we had a total of 3,160 fulltime employees (31 December 2020: 3,017). 877 of our employees worked in property development operations, 1,986 of our employees were engaged in property management and 297 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 qualifications, 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 the real estate industry published by renowned consulting firms. We believe the salaries and benefits that our employees receive are competitive compared with market standards in each geographic location where we conduct business. We 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 annual general meeting held on 7 May 2019. By doing so, share options were granted to selected senior executives of the Group and employees are encouraged to grow together with the Company.

The Group’s staff costs for the year ended 31 December 2021 amounted to RMB495.1 million (for the year ended 31 December 2020: RMB486.3 million). Staff costs include a remuneration expenses in relation to the share-based payments of RMB0.6 million recognized for the Year (for the year ended 31 December 2020: RMB1.8 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 customized 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 2021, the revenue of the Group reached RMB13,551.6 million, representing an increase of 6.0% as compared to RMB12,782.4 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

	2021		2020		Year
	Percentage of Total Revenue		Percentage of Total Revenue		-on-year change
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	%
Revenue from contracts with customers recognized at a point in time					
– Sales of properties	12,150,385	89.7	11,972,528	93.7	1.5
– Others	56,649	0.4	51,644	0.4	9.7
	<u>12,207,034</u>	<u>90.1</u>	<u>12,024,172</u>	<u>94.1</u>	<u>1.5</u>
Revenue from contracts with customers recognized over time					
– Property management service	723,098	5.3	526,368	4.1	37.4
– Decoration of properties	380,475	2.8	–	–	–
	<u>1,103,573</u>	<u>8.1</u>	<u>526,368</u>	<u>4.1</u>	<u>109.7</u>
Rental income	<u>241,037</u>	<u>1.8</u>	<u>231,889</u>	<u>1.8</u>	<u>3.9</u>
<b>Total</b>	<u><b>13,551,644</b></u>	<u><b>100.0</b></u>	<u><b>12,782,429</b></u>	<u><b>100.0</b></u>	<u><b>6.0</b></u>

Revenue from sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 89.7% 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 Ningbo Jingrui Shuiyin Jiangshan, Hangzhou Jingrui Haiyi Cuiting, Wuhan Jingrui Tianfu Binjiang, Nanchang Jingrui Hongxing Plaza and Jiujiang Jingrui Ningzhou Mansion. Revenue from sales of properties increased by 1.5% to approximately RMB12,150.4 million in 2021 from approximately RMB11,972.5 million in 2020, mainly due to the increase in the area of properties delivered during the Year.

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 2021, property management revenue of the Group was approximately RMB723.1 million, representing an increase of approximately 37.4% as compared to that of last year. Our property management revenue increased significantly, primarily due to the significant increase in the contracted GFA and the increase in the third-party property management fee.

Revenue from decoration of properties represents realized revenue generated from decoration works we provided. In 2021, such revenue of the Group was approximately RMB380.5 million, representing an increase of 100% as compared to that of last year, which was due to the increase in the number of properties 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 2021, rental income of the Group was approximately RMB241.0 million, representing an increase of 3.9% as compared to RMB231.9 million of last year.

## **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 8.1% from RMB10,278.4 million in 2020 to RMB11,111.7 million in 2021, which was in line with the increase of revenue.

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

	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Construction costs	3,517,783	31.7	3,376,806	32.8
Land use right costs	5,782,001	52.0	4,814,235	46.8
Capitalized interest	980,955	8.8	1,625,147	15.8
<b>Sub-total: Total cost of properties</b>	<b>10,280,739</b>	<b>92.5</b>	<b>9,816,188</b>	<b>95.4</b>
Surcharges	54,569	0.5	58,481	0.6
Provision for impairment of properties held or under development for sale, net	71,931	0.7	7,126	0.1
Other costs <sup>(1)</sup>	704,450	6.3	396,587	3.9
<b>Total</b>	<b>11,111,689</b>	<b>100.0</b>	<b>10,278,382</b>	<b>100.0</b>

*Note:*

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

### **Gross Profit and Gross Profit Margin**

Our gross profit decreased by 2.6% from RMB2,504.0 million in 2020 to RMB2,440.0 million in 2021. The Group recorded a gross profit margin of approximately 18.0% for the year ended 31 December 2021, compared to approximately 19.6% for the year ended 31 December 2020.

### **Appreciation of Investment Properties under Capital Platform**

For the year ended 31 December 2021, the appreciation of investment properties under capital platform was RMB37.9 million (2020: RMB56.7 million). The appreciation of investment properties in 2021 was mainly due to price premium of Shanghai Jingrui Life Square.

### **Fair Value Gains/(Losses) on Investment Properties under Other Platforms**

For the year ended 31 December 2021, the fair value gains on investment properties under other platforms were RMB1.0 million (2020: losses of RMB17.0 million).

### **Selling and Marketing Costs**

Our selling and marketing costs increased by 11.1% from RMB522.3 million in 2020 to RMB580.3 million in 2021, primarily due to the strengthened selling and marketing efforts in promoting our property projects in new cities and regions in which the Group operates.

## **Administrative Expenses**

Our administrative expenses decreased by 2.1% from RMB664.6 million in 2020 to RMB650.9 million in 2021, primarily due to the strengthening of intensive and refined management of various platforms, which effectively reduced administrative expenses.

## **Other Income and Other Gains, Net**

We recorded other income of RMB20.6 million in 2021, compared to other income of RMB223.1 million in 2020. Other income recorded in 2021 was mainly the income on the government grants.

We recorded other gains of RMB196.2 million in 2021, compared to other gains of RMB327.4 million in 2020. Other gains recorded in 2021 were primarily due to the gains on the disposal of equity interests in projects and fair value gains from financial assets at fair value through profit or loss.

## **Finance (Costs)/Income, Net**

Our finance income decreased by 41.8% from RMB1,013.6 million in 2020 to RMB590.3 million in 2021, primarily as a result of the appreciation of the RMB exchange rate in the Year was relatively lower than that of the previous year, resulting in the decrease in the exchange gains recorded on the Group's debts denominated in currencies other than RMB. Our finance costs increased by 14.2% from RMB752.5 million in 2020 to RMB859.2 million in 2021, mainly due to the increase in the interest rate on borrowings.

## **Share of Results of Joint Ventures/Associates**

For the year ended 31 December 2021, our share of results of joint ventures/associates was a loss of RMB155.4 million (2020: a gain of RMB170.6 million), and loss was primarily due to the decline in the demand for lease of commercial properties as a result of external macro market environment, which led to a decrease in the fair value of investment properties of joint ventures.

## **Income Tax Expense**

Our income tax expense decreased by 39.3% from RMB1,065.5 million in 2020 to RMB646.4 million in 2021, primarily due to the decrease in land value-added tax and corporate income tax as a result of the carry-over of projects with lower margin during the Year.

## **Profit for the Year**

Profit for the Year reached RMB393.8 million, of which profit attributable to our equity holders was RMB127.5 million in 2021.

## **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 loans, 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 2021, our total cash at bank and on hand was RMB10,991.0 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 RMB21,444.8 million as at 31 December 2020 to RMB21,598.0 million as at 31 December 2021. As at 31 December 2021, the Group had unutilized banking facilities of approximately RMB25,896.4 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 2021, the assets used as collaterals for the borrowings amounted to RMB17,310.4 million (31 December 2020: RMB14,383.5 million). Our borrowings are mainly denominated in RMB and US dollars.

## Breakdown of our borrowings by categories

	As at 31 December 2021 <i>RMB'000</i>	As at 31 December 2020 <i>RMB'000</i>	Change %
<b>Current Borrowings:</b>			
Bank loans, secured	2,502,906	1,908,565	31.1
Other loans, secured	25,219	322,000	(92.2)
Trust financing arrangements, secured	110,000	—	—
Add: current portion of long-term borrowings	8,040,214	6,909,305	16.4
<b>Total Current Borrowings</b>	<b>10,678,339</b>	<b>9,139,870</b>	<b>16.8</b>
<b>Non-Current Borrowings:</b>			
Bank loans, secured	5,529,006	6,418,178	(13.9)
Other loans, secured	1,129,034	2,190,498	(48.5)
Trust financing arrangements, secured	2,003,400	1,046,500	91.4
Senior notes due 2021, issued in April 2018, secured	—	1,348,822	(100.0)
Senior notes due 2021, issued in April 2019, secured	—	1,260,924	(100.0)
Senior notes due 2022, issued in July 2019, secured	1,652,591	1,688,076	(2.1)
Senior notes due 2022, issued in March 2020, secured	1,210,478	1,234,231	(1.9)
Senior notes due 2022, issued in June 2020, secured	953,456	972,150	(1.9)
Senior notes due 2023, issued in November 2020, secured	1,522,409	1,551,964	(1.9)
Senior notes due 2023, issued in March 2021, secured	704,011	—	—
Senior notes due 2023, issued in April 2021, secured	992,617	—	—
Senior notes due 2023, issued in May 2021, secured	210,249	—	—
Senior notes due 2023, issued in August 2021, secured	318,632	—	—
Senior notes due 2024, issued in September 2021, secured	1,050,994	—	—
Corporate bonds due 2021	—	1,221,712	(100.0)
Corporate bonds due 2022	341,749	281,188	21.5
Corporate bonds due 2024	1,341,286	—	—
Less: current portion of long-term borrowings	(8,040,214)	(6,909,305)	16.4
<b>Total Non-Current Borrowings</b>	<b>10,919,698</b>	<b>12,304,938</b>	<b>(11.3)</b>
<b>Total</b>	<b>21,598,037</b>	<b>21,444,808</b>	<b>0.7</b>

## Breakdown of our borrowings by maturity profiles

	As at 31 December			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Within 1 year	10,678,339	49.5	9,139,870	42.6
Between 1 and 2 years	7,892,118	36.5	7,056,245	32.9
Between 2 and 5 years	2,861,580	13.2	4,841,365	22.6
Over 5 years	166,000	0.8	407,328	1.9
<b>Total</b>	<b>21,598,037</b>	<b>100.0</b>	<b>21,444,808</b>	<b>100.0</b>

The proportion of the Group's long-term borrowings in the total borrowings was 50.5% for the year ended 31 December 2021, ensuring the healthy and stable cash flow of the Group in the future.

## Interest and net 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 change
	2021	2020	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Finance costs			
– Interest expensed	846,719	739,303	14.5
– Interest on lease liabilities	12,439	13,216	(5.9)
– Amounts capitalised	1,538,453	1,290,629	19.2
<b>Total</b>	<b>2,397,611</b>	<b>2,043,148</b>	<b>17.3</b>

## Net Debt-to-Capital Ratio

As at 31 December 2021, our net debt-to-capital ratio was 94% (31 December 2020: 69%). 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 at bank and on hand.

## **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 2021, 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 RMB4,971.9 million (2020: RMB5,416.5 million). In addition, we provided guarantee for certain bank loans amounting to RMB634.4 million (2020: RMB872.2 million) for our joint ventures and associates. We provided guarantee for certain bank loans amounting to RMB113.0 million (2020: Nil) which were granted to related parties of joint ventures.

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 2021, 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 between 2019 and 2021, 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 foreign currency hedging policies, 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 at 31 December 2021, 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 2021.

## **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.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) is scheduled to be held on Tuesday, 7 June 2022. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in due course.

## **DIVIDEND**

The Board did not recommend the distribution of final dividend for the year ended 31 December 2021 (2020: HK\$0.25 per share).

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Saturday, 28 May 2022 to Tuesday, 7 June 2022, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Tuesday, 7 June 2022. In order to qualify for attending and voting at the AGM, 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, 27 May 2022.

## **IMPORTANT EVENTS AFFECTING THE GROUP SINCE 31 DECEMBER 2021**

### **Exchange of senior notes**

On 22 February 2022, the Company commenced an exchange offer for US\$190,000,000 12.75% senior notes due 11 March 2022. As of the extended exchange expiration deadline, existing notes amounted to US\$175,330,000 (representing approximately 92.28% of aggregate principal amount of outstanding existing notes) have been validly tendered for exchange and accepted pursuant to the exchange offer. Pursuant to the exchange offer, on 9 March 2022, the Company issued US\$171,113,500 new notes due 9 September 2023 with an annual interest rate of 12.75%. Further details of senior notes exchange are disclosed in the announcements of the Company dated 22 February, 2 March, 7 March and 10 March 2022.

Save as disclosed above, no other important event affecting the Group has occurred since 31 December 2021 and up to 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 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 C.2.1 (former 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 C.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 unaudited annual results contained herein have been reviewed by the audit committee of the Company.

Due to the recurrence of COVID-19 in early 2022, epidemic prevention and control measures and restrictions were implemented in some area of China (especially Shanghai, where the Group’s headquarters is located, thereat the reply to certain bank confirmations has been delayed, and Shenzhen). As at the date of this announcement, the auditing process for the annual results for the year ended 31 December 2021 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 22 April 2022.

## 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.

## REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, the Company has issued, purchased and redeemed the following listed securities of the Group:

On 19 March 2021, the Company issued an aggregate principal amount of US\$110,000,000 of 14.5% senior notes due February 2023 (the “**Notes Due February 2023**”). These senior notes have been consolidated and form a single series with the US\$240,000,000 14.5% senior notes due 2023 issued on 19 November 2020. For further details, please refer to the announcements of the Company dated 17 March, 19 March and 22 March 2021.

On 22 April 2021, in accordance with the terms of the senior notes due April 2021 (“**Notes Due April 2021**”), the Company redeemed the aggregate principal amount of US\$206,985,000 of the Notes Due April 2021 with a total consideration of US\$216,765,000 (including unpaid interests accrued) upon maturity of the Notes Due April 2021. The abovementioned notes were subsequently cancelled after the redemption.

On 26 April 2021, the Company issued an aggregate principal amount of US\$157,000,000 of 12.5% senior notes due October 2023 (the “**Notes Due October 2023**”). For further details, please refer to the announcements of the Company dated 26 April and 27 April 2021.

On 17 May 2021, the Company issued an aggregate principal amount of US\$33,000,000 of 12.5% senior notes due October 2023. These senior notes have been consolidated and form a single series with the Notes Due October 2023 issued on 26 April 2021. For further details, please refer to the announcements of the Company dated 17 May and 18 May 2021.

In June 2021, the Company purchased an aggregate principal amount of US\$14,000,000 of the Company’s 10.875% senior notes due October 2021 listed on the Stock Exchange (the “**Notes Due October 2021**”) with a total consideration of US\$14,212,000 (including unpaid interests accrued). The abovementioned notes (together with the aggregate principal amount of US\$700,000 of Notes Due October 2021 which were purchased in 2020) were cancelled in June 2021. For further details, please refer to the announcements of the Company dated 24 May, 7 June and 2 July 2021.

On 17 August 2021, the Company issued an aggregate principal amount of US\$50,000,000 of 12.5% senior notes due October 2023. These senior notes have been consolidated and form a single series with the Notes Due October 2023 issued on 26 April 2021 and 17 May 2021. For further details, please refer to the announcements of the Company dated 17 August and 18 August 2021.

On 28 September 2021, the Company issued an aggregate principal amount of US\$165,000,000 of 12% senior notes due January 2024. For further details, please refer to the announcements of the Company dated 28 September and 29 September 2021.

On 4 October 2021, the Company redeemed the aggregate principal amount of US\$180,300,000 of the Notes Due October 2021 with a total consideration of US\$190,104,000 (including unpaid interests accrued) upon maturity of the Notes Due October 2021 in accordance with the terms of the Notes Due October 2021. The abovementioned notes were subsequently cancelled after the redemption.

Save as 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 2021.

## **PUBLICATION OF THE UNAUDITED CONSOLIDATED ANNUAL RESULTS AND 2021 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](http://www.hkexnews.hk) ) and the Company ( [www.jingruis.com](http://www.jingruis.com) ) and the 2021 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.

**The financial information contained herein in respect of the annual results of the Group for the year ended 31 December 2021 has not been audited and has not been agreed with the auditors. Holders of securities of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors of the Company 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 2022

*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*