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JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

DISCLOSEABLE TRANSACTION DISPOSAL OF 25% EQUITY INTEREST IN TARGET COMPANY

THE DISPOSAL

On 27 October 2022 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase, the Sale Shares, representing 25% equity interest in the Target Company at a consideration of RMB121,814,379.

Upon completion of the Disposal, the Target Company will cease to be an associate of the Company and the Group shall cease to hold, directly or indirectly, any interest in the Target Company.

LISTING RULES IMPLICATION

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

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Subject matter

The Vendor agreed to sell the Sale Shares to the Purchaser.

The Sale Shares represent 25% of the equity interests in the Target Company as at the date of the Agreement and upon Completion.

Consideration

The total consideration for the Disposal is RMB121,814,379.

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchaser with reference to, among others, (i) the value of the Property of RMB1,052,000,000, which is the principal asset of the Target Company, based on an independent valuation of the Property in July 2022; (ii) the total liabilities of the Target Company of approximately RMB533,401,000 as at 31 August 2022; (iii) the equity interest of the Vendor in the Target Company; and (iv) the increasingly challenging operating environment and the tight liquidity of the real estate industry.

Payment schedule

The consideration will be payable by the Purchaser in cash to the Vendor (after deducting the amount owed by the Vendor to the Purchaser of approximately RMB28,814,379 as at the date of the Agreement):

- (1) an amount equivalent to RMB90,000,000 on the date of Completion, upon satisfaction (or waiver by the Purchaser) of conditions including:
 - a. the representations and warranties provided by the Vendor remaining true and accurate and not misleading from the date of signing of the Agreement to the date of Completion;
 - b. all the necessary approvals and consents having been obtained for the transaction contemplated under the Agreement and all relevant documents (including the instrument of transfer) duly signed by authorised representatives;
 - c. an undertaking by the Vendor to actively cooperate with the Purchaser and take all other necessary steps in order to effect the Completion; and
 - d. the Disposal shall be completed on or before the agreed date of Completion;
- (2) an amount equivalent to RMB3,000,000 as the balance of the final payment of the consideration within 5 business days from the date of satisfaction (or waiver by the Purchaser) of conditions including:
 - a. payment of relevant expenses and taxes by the Vendor in relation to the Disposal; and
 - b. fulfilment of all tax reporting obligations and declarations as required under the applicable law in relation to the Disposal.

Subject to payment of the consideration by the Purchaser, the Vendor shall take all steps to promote the business and assets of the Target Company under its control, complete all necessary filings, registrations and other procedures to ensure a smooth transition to the Purchaser upon Completion.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, the Target Company will cease to be an associate of the Company and the Group shall cease to hold, directly or indirectly, any interest in the Target Company.

Based on (i) the unaudited book value of the Vendor's investment in the Target Company of approximately RMB131,956,930 as at 31 August 2022; and (ii) the consideration of the Disposal of RMB121,814,379, it is expected that the Company will record a loss of approximately RMB10,142,551 from the Disposal after deducting the expenses attributable thereto. Such loss is calculated as the difference between the consideration and the unaudited book value of the Vendor's investment in the Target Company as at 31 August 2022. The actual loss to be recorded is subject to review and final audit by the auditors of the Company and may be different from the estimated amount as it will depend on (i) the actual book value of the Vendor's investment in the Target Company as at the date of Completion; and (ii) the actual transaction costs incurred.

INFORMATION ON PARTIES TO THE AGREEMENT

(1) The Group and the Vendor

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

The Vendor is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. Its principal business activity is investment holding and its principal asset is the interest in the Target Company.

(2) The Purchaser

The Purchaser is a company incorporated under the laws of the British Virgin Islands. It is principally engaged in investment holding activity and is an indirect subsidiary of LaSalle Asia Opportunity V L.P. (the "**Partnership**"). Based on the information available as at the date hereof, the Partnership is established as a limited partnership in the United Kingdom and is a closed-ended, pan-Asia opportunistic fund with a wide investor base made up of global institutional investors. The Partnership is managed and controlled by its general partner, namely LaSalle Asia Opportunity V GP Ltd (the "**GP**"). The GP is an indirect wholly-owned subsidiary of Jones Lang LaSalle Incorporated, which is listed on the New York Stock Exchange (stock code: JLL). The Company has provided a list of its connected persons to the Purchaser, who confirmed that they and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

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

(3) The Target Company

The Target Company is a company jointly established by the Vendor and the Purchaser in the British Virgin Islands with limited liability. As at the date of this announcement, the Target Company is owned as to 25% by the Vendor and 75% by the Purchaser.

As at the date of the Agreement, the Target Company is an associate of the Company. Its principal business activity is investment holding. As at the date of the Agreement, its principal asset is the Property, and it holds the Property through its indirect wholly-owned subsidiary Shanghai Sai Tang Management Consulting Co., Ltd.* (上海賽樞諮詢管理有限公司).

The Property is a commercial building under reconstruction, which is held by the Target Company as investment property for rental income in the future.

The Target Company was established on 17 March 2021. As at the date of the Agreement, the paid-up capital of the Target Company is USD120 (equivalent to approximately RMB780).

The consolidated financial information of the Target Company prepared in accordance with HKFRS are set out as follows:

	For the eight months ended 31 August 2022 RMB (unaudited)	For the year ended 31 December 2021 RMB (unaudited)	2020 RMB (audited)
Revenue	0	532,702	–
(Loss)/profit before taxation	(10,532,697)	18,675,815	–
(Loss)/profit after taxation	(10,532,697)	13,493,362	–

The unaudited consolidated net asset value of the Target Company as at 31 August 2022 was approximately RMB521,828,319.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal would help ease the liquidity issue of the Group. The proceeds will be applied as general working capital of the Group.

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

LISTING RULES IMPLICATION

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DEFINITIONS

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

“Agreement”	the agreement dated 27 October 2022 entered into between the Vendor and the Purchaser in relation to the Disposal
“Company”	Jingrui Holdings Limited (景瑞控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at 929 Shenbing Road, Minhang District, Shanghai, the PRC, with a total gross floor area 64,938.36 sq.m.
“PRC”	the People’s Republic of China
“Purchaser”	SHQ Investment Holdings I Limited, a company established in the British Virgin Islands with limited liability
“Sale Shares”	the 25% equity interest in the Target Company
“Share(s)”	ordinary shares of US\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	SHQ Investment Holdings II Limited, a company established in the British Virgin Islands with limited liability
“USD”	U.S. dollars, the lawful currency of the United States of America
“Vendor”	Joyride RY (BVI) Limited, a company established in the British Virgin Islands with limited liability
“%”	per cent.

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

Hong Kong, 27 October 2022

As at the date of this announcement, the board of the Company 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*