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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2020 was approximately RMB25,507.0 million, representing a year-on-year increase of 1.4%.
- Revenue for the year ended 31 December 2020 was RMB12,782.4 million, representing a decrease of approximately 3.8% as compared to last year. Gross profit achieved RMB2,504.0 million with a gross profit margin of 19.6%.
- For the year ended 31 December 2020, the Group recorded a net profit of RMB1,273.5 million, keeping basically flat as compared to last year.
- Total assets as of 31 December 2020 was RMB68,319.2 million, representing an increase of 30.5% as compared to that of 31 December 2019.
- As of 31 December 2020, the net debt-to-capital ratio was approximately 69%, representing a year-on-year increase of 11 percentage points. Total cash at bank and on hand (including restricted cash) reached RMB13,646.5 million.
- As at 31 December 2020, land bank of the Group was approximately 4,957,541 sq.m..
- The Board proposed to distribute a dividend of HKD0.25 per share for the year ended 31 December 2020.

The board (the “**Board**”) of directors (the “**Directors**”) of Jingrui Holdings Limited (“**Jingrui**” or the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**us**” or “**our**”) for the year ended 31 December 2020 (the “**Year**”):

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

		Year ended 31 December	
	Note	2020	2019
		RMB'000	RMB'000
Revenue	3	12,782,429	13,285,127
Cost of sales	6	(10,278,382)	(10,599,949)
Gross profit		2,504,047	2,685,178
Appreciation/(depreciation) of investment properties under capital platform		56,687	(21,474)
Fair value (losses)/gains on investment properties under other platforms		(17,000)	96,022
Selling and marketing costs	6	(522,334)	(385,575)
Administrative expenses	6	(664,564)	(606,562)
Other income	4	223,121	158,470
Other gains – net	5	327,373	146,740
Operating profit		1,907,330	2,072,799
Finance income	7	1,013,552	261,507
Finance costs	7	(752,519)	(526,987)
Finance income/(costs) – net		261,033	(265,480)
Share of results of joint ventures		40,609	170,409
Share of results of associates		130,034	172,148
		170,643	342,557
Profit before income tax		2,339,006	2,149,876
Income tax expense	8	(1,065,502)	(864,866)
Profit for the year		1,273,504	1,285,010
Attributable to:			
Equity holders of the Company		958,092	903,591
Non-controlling interests		315,412	381,419
		1,273,504	1,285,010
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share	9	RMB0.68	RMB0.65
– Diluted earnings per share	9	RMB0.68	RMB0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Profit for the year	<u>1,273,504</u>	<u>1,285,010</u>
Other comprehensive (losses)/income that may be reclassified subsequently to profit or loss		
Changes in fair value of equity investment at fair value through other comprehensive (losses)/income, net of tax	<u>(36,470)</u>	<u>73,624</u>
Other comprehensive (losses)/income for the year, net of tax	<u>(36,470)</u>	<u>73,624</u>
Total comprehensive income for the year	<u><u>1,237,034</u></u>	<u><u>1,358,634</u></u>
Attributable to:		
Equity holders of the Company	<u>921,622</u>	<u>977,215</u>
Non-controlling interests	<u>315,412</u>	<u>381,419</u>
	<u><u>1,237,034</u></u>	<u><u>1,358,634</u></u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

		As at 31 December	
	Note	2020	2019
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		101,330	54,839
Right-of-use assets		129,614	—
Investment properties		5,950,300	6,348,172
Intangible assets		75,556	2,796
Investments in joint ventures		1,534,959	1,012,044
Investments in associates		1,635,556	1,834,909
Deferred income tax assets		295,886	274,398
Financial assets at fair value through profit or loss		1,144,684	1,000,587
Financial assets at fair value through other comprehensive income		486,650	546,939
Trade and other receivables and prepayments	11	753,652	757,298
		<u>12,108,187</u>	<u>11,831,982</u>
Current assets			
Prepayments for leasehold land		1,239,780	720,095
Properties held or under development for sale		28,755,174	17,851,199
Trade and other receivables and prepayments	11	10,795,590	7,168,200
Prepaid income taxes		444,130	323,224
Restricted cash		2,750,525	3,064,679
Cash and cash equivalents		10,895,964	10,683,523
Contract acquisition costs		152,707	122,037
Financial assets at fair value through profit or loss		1,161,929	598,250
Financial assets at fair value through other comprehensive income		15,257	—
		<u>56,211,056</u>	<u>40,531,207</u>
Total assets		<u>68,319,243</u>	<u>52,363,189</u>
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		87,813	86,634
Reserves		6,078,734	5,220,202
		<u>6,166,547</u>	<u>5,306,836</u>
Non-controlling interests		<u>5,130,319</u>	<u>3,799,914</u>
Total equity		<u>11,296,866</u>	<u>9,106,750</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)*As at 31 December 2020*

	<i>Note</i>	As at 31 December 2020 RMB'000	2019 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		12,304,938	9,607,298
Deferred income tax liabilities		1,421,053	1,304,409
Lease liabilities		132,597	148,124
Derivative financial instruments		–	39,420
		13,858,588	11,099,251
Current liabilities			
Trade and other payables	<i>12</i>	18,905,889	14,369,067
Amounts due to non-controlling interests of subsidiaries		1,414,043	896,011
Contract liabilities		11,639,042	6,231,044
Current income tax liabilities		2,018,143	1,242,200
Borrowings		9,139,870	9,398,013
Lease liabilities		21,202	20,853
Derivative financial instruments		25,600	–
		43,163,789	32,157,188
Total liabilities		57,022,377	43,256,439
Total equity and liabilities		68,319,243	52,363,189

1 GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group’s consolidated financial statement for the year ended 31 December 2020 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 requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which are carried at fair value.

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

New and amended standards of HKFRSs effective for 2020

The following new standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2020 and are relevant to the Group’s operation.

- Definition of Material – Amendments to HKAS 1 and HKAS 8
- Definition of a Business – Amendments to HKFRS 3
- Interest Rate Benchmark Reform – Amendments to HKFRS 7, HKFRS 9 and HKAS 39
- Revised Conceptual Framework for Financial Reporting

The newly effective 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 2020.

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 2020 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;
- 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:

	Year ended 31 December	
	2020	2019
	RMB’000	RMB’000
Revenue from contracts with customers recognised at a point in time		
– Sales of properties	11,972,528	12,366,104
– Others	51,644	59,016
	12,024,172	12,425,120
Revenue from contract with customers recognised over time		
– Property management service	526,368	441,123
– Decoration of properties	–	180,264
	526,368	621,387
Rental income	231,889	238,620
	12,782,429	13,285,127

(b) Segment information

	Year ended 31 December 2020					
	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>

Year ended 31 December 2019

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

4 OTHER INCOME

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Compensation income for demolition costs	194,734	–
Gain from acquisition of shares in Ningbo Puhong Investment Management LLP	–	90,428
Government grants	24,125	51,578
Compensation income	4,142	2,492
Interest income on loans to joint ventures	–	13,022
Others	120	950
	<u>223,121</u>	<u>158,470</u>

5 OTHER GAINS – NET

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
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 loss of control	37,203	–
Net foreign exchange losses	(40,676)	–
Fair value gains from financial assets at fair value through profit or loss	31,033	47,232
Investment income from financial assets at fair value through profit or loss	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	29,394	14,983
Gains from lease modification	–	12,987
Losses from disposal of property, plant and equipment	(104)	(219)
Changes in fair values of derivative financial instruments	13,820	(34,020)
Gain from disposal of joint ventures	–	1,851
Gain from disposal of shares in subsidiaries	90,647	31,378
Gains from deemed disposal of a subsidiary	112,271	85,191
Compensation and late payment charges	(40,804)	(36,103)
Disposal gains on investment properties	–	14,373
Others	(10,046)	9,087
	<u>327,373</u>	<u>146,740</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	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of properties sold	9,816,188	10,069,234
Cost of properties management	329,505	292,698
Cost of design and decoration of properties	–	110,985
Surcharges	58,481	42,335
Accrual of provision for write-down of properties held or under development for sale-net	7,126	11,747
Depreciation of property, plant and equipment	25,656	24,679
Amortisation of intangible assets	1,415	1,277
Bank charges	8,802	11,168
Staff costs	486,333	448,060
Entertainment expenses	26,231	21,545
Stamp duty and other taxes	29,832	30,229
Professional fees	100,857	100,518
Auditors' remuneration		
– annual audit and interim review	4,038	3,995
– non-audit services	2,298	2,400
Sales commission	140,259	67,835
Advertising and publicity costs	84,071	80,254
Office and meeting expenses	47,595	43,720
Rental expenses	13,801	12,160
Travelling expenses	13,957	16,673
Net impairment losses on financial assets (Note 11)	60,090	4,575
Other expenses	208,745	195,999
	<hr/>	<hr/>
Total cost of sales, selling and marketing costs and administrative expenses	11,465,280	11,592,086
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7 FINANCE INCOME/(COSTS) – NET

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits and financial assets	363,955	261,507
– Net foreign exchange gains on financing activities	649,597	–
	<u>1,013,552</u>	<u>261,507</u>
Finance costs		
– Interest on financing arrangements	(2,029,932)	(2,004,793)
– Net foreign exchange losses on financing activities	–	(57,731)
– Changes in discounted present value of financial liabilities for put option written on non-controlling interests	–	(120)
– Interest on lease liabilities	(13,216)	(14,549)
– Less: Amount capitalised	1,290,629	1,550,206
	<u>(752,519)</u>	<u>(526,987)</u>
Net finance income/(costs)	<u>261,033</u>	<u>(265,480)</u>

8 INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax	551,649	428,308
– PRC corporate income tax	530,870	479,080
	<u>1,082,519</u>	<u>907,388</u>
Deferred income tax	<u>(17,017)</u>	<u>(42,522)</u>
Total income tax charged for the year	<u>1,065,502</u>	<u>864,866</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 2020 (2019: 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 2020, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB639,120,000 (31 December 2019: RMB541,406,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB6,391,198,000 (31 December 2019: RMB5,414,056,000).

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 2020 and 2019 are calculated by dividing the Group's profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2020	2019
Group's profit attributable to equity holders of the Company (RMB'000)	<u>958,092</u>	<u>903,591</u>
Weighted average number of shares in issue (in thousand)	<u>1,402,106</u>	<u>1,394,723</u>
Basic earnings per share (RMB)	<u>0.68</u>	<u>0.65</u>

(b) Diluted earnings per share

	Year ended 31 December	
	2020	2019
Group's profit attributable to equity holders of the Company (RMB'000)	<u>958,092</u>	<u>903,591</u>
Weighted average number of shares in issue (in thousand)	<u>1,402,106</u>	<u>1,394,723</u>
Effect of dilutive potential ordinary shares in respect of share award scheme (in thousand)	<u>2,192</u>	<u>4,747</u>
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	<u>1,404,298</u>	<u>1,399,470</u>
Diluted earnings per share (RMB)	<u>0.68</u>	<u>0.65</u>

10 DIVIDENDS

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Proposed final dividend of HKD25 cents (2019: HKD24 cents) per ordinary share (a)	322,481	305,261

notes:

- (a) At a board meeting held on 23 March 2021, the directors proposed a final dividend for the year ended 31 December 2020 of HKD25 cents per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2021 upon approval by the shareholders at the forthcoming annual general meeting of the Company.
- (b) A final dividend in respect of the year ended 31 December 2019 of HKD24 cents per ordinary share has been approved at the annual general meeting of the Company held on 26 May 2020. The dividend has been paid out by the Company on 12 June 2020.

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Trade receivables	545,579	652,665
Less: Provision for impairment of trade receivables	(26,124)	(8,246)
Trade receivables – net	519,455	644,419
Amounts due from joint ventures and associates	3,124,230	2,346,220
Prepaid taxes and surcharges and input VAT to be deducted (a)	613,740	327,671
Receivables arising from disposal of subsidiaries (b)	–	22,917
Loans due from disposed subsidiaries assumed by third parties (c)	13,098	29,485
Tender deposits	–	50,000
Deposits with public housing fund centres (d)	11,252	27,653
Prepayments of construction costs	56,469	21,542
Temporary funding receivables (e)	152,999	134,154
Deposits paid for construction work	236,002	377,049
Amounts due from non-controlling interests of subsidiaries (f)	3,958,825	1,931,976
Deposits paid to secure borrowings	26,259	47,469
Prepayments for acquisition of completed properties for sale (g)	82,746	709,391
Deposits for potential investment	299,362	343,248
Dividend receivables	30,228	14,745
Net leasing investment receivables (i)	104,399	111,526
Receivables from a third party (h)(i)	620,604	660,126
Receivables in connection with the compensation of demolition costs (i)	133,203	–
Amounts due from related parties of non-controlling interests of a subsidiary	748,095	–
Others	906,829	172,248
Less: Provision for impairment of other receivables	(88,553)	(46,341)
	11,549,242	7,925,498
Less: non-current portion (i)	(753,652)	(757,298)
	10,795,590	7,168,200

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 balances represent the outstanding consideration for disposal of subsidiaries.
- (c) The balance represents the outstanding amounts originally due by the disposed subsidiaries which have been assumed by the acquirers based on the share purchase agreements.
- (d) 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.
- (e) Temporary funding receivables are funds temporarily advanced to non-related parties, which are non-interest bearing and unsecured.
- (f) The balances as at 31 December 2020 represents the funding provided to non-controlling interests of certain subsidiaries, which are unsecured, non-interest bearing and repayable on demand.
- (g) The balance represents the prepayments paid to third parties for the selling rights of certain completed properties and for decoration work located in Hangzhou.
- (h) The balance as at 31 December 2020 includes the loan principal and interest receivable, totalling USD93,658,000 (equivalent to RMB620,604,000), due from a third party which will be matured in 2022.
- (i) The balance as at 31 December 2020 includes the long-term portion of the loan principal and interest receivables of RMB620,604,000 due from a third party, the long-term portion of net leasing investment receivables of RMB89,845,000 and the long-term portion of receivables of RMB43,203,000 in connection with the compensation income for demolition costs from government.

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

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Less than 1 year	359,428	620,412
Between 1 and 2 years	177,388	30,454
Between 2 and 3 years	7,421	544
Over 3 years	1,342	1,255
	545,579	652,665

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

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	54,587	50,012
Accrual of provision for receivables impairment during the year	60,090	4,575
At end of the year	114,677	54,587

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 2020 and 2019, the fair value of trade and other receivables approximate their carrying amounts.

Trade and other receivable with a total carrying amount of RMB5,219,000 as at 31 December 2020 were pledged as collateral for the Group's borrowings (2019: RMB4,463,000).

As at 31 December 2020 and 31 December 2019, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies:

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
– RMB	10,629,276	6,922,124
– USD	717,012	792,313
– HKD	202,954	211,061
	11,549,242	7,925,498

12 TRADE AND OTHER PAYABLES

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Trade payables	3,994,211	3,780,651
Notes payable	144,749	96,078
Amounts due to related parties	5,303,035	4,229,631
Turnover taxes payable	912,053	171,226
Electricity fee and cleaning fee collected on behalf	105,946	74,763
Deed tax collected on behalf	1,964	2,381
Accrued payroll	34,541	30,903
Interest payable	394,258	380,654
Temporary funding payable	2,086,956	1,350,005
Construction deposits received from suppliers	56,621	38,586
Deposits received from customers	84,048	21,441
Consideration payables for acquisition	283,965	846,540
Payment received in connection with disposal of subsidiaries	–	117,556
Dividend payable to non-controlling interests of certain subsidiaries	315,963	676,929
Dividend payable	–	1,379
Amount received in connection with the transferring the right of collection of future receivables (a)	141,781	183,969
Payable to related parties of non-controlling interests (b)	1,147,179	466,000
Deposits received in connection with cooperation with third parties for property development and property investment	943,240	800,000
Payables for acquisition of equity investments (c)	2,444,060	943,126
Others	511,319	157,249
	18,905,889	14,369,067

notes:

- (a) The balance 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 10% – 11.41% per annum.

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

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	3,392,791	3,034,446
Between 1 and 2 years	665,377	749,824
Between 2 and 3 years	41,416	57,227
Over 3 years	39,376	35,232
	<hr/>	<hr/>
	4,138,960	3,876,729
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2020 and 2019, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2020 and 31 December 2019, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	18,655,324	14,086,290
USD	231,800	281,012
HKD	18,765	1,765
	<hr/>	<hr/>
	18,905,889	14,369,067
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MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

2020 is a special year for all of us. In this year, the coronavirus pandemic (“**COVID-19**”) swept across the whole world, bringing material impacts on the global economy and leaving all countries struggling with economic difficulties. In the face of the COVID-19, with the prompt and scientific measures taken by the Chinese government, the pandemic was effectively brought under control and the domestic economic and social activities recovered rapidly. The GDP of the People’s Republic of China (the “**PRC**”) achieved a new high reaching RMB101.6 trillion, and the PRC became the only major economy in the world that achieved positive growth in 2020.

In 2020, the state continued to implement the long-term mechanism of “housing is for accommodation, not for speculation” and did not use the real estate market as tool of short-term economic stimulus. Local governments adopted “differential measures in light of different situations in different cities” to control the land premium and price of housing and improve the supply of land for rental housing and government-subsidized housing development; the state issued the “Three Red Lines” policy regarding debt size of property companies and the “Two Red Lines” policy limiting the portion of property related loans granted by banks, for the purpose of comprehensively regulating and controlling the development of the property industry. During the Year, the property market remained generally stable with the sales rising steadily and moderately, reaching over RMB17 trillion and the overall growth rate has slowed down. Going forward, the state will continue to implement the people-centered new urbanization strategy and promote the central cities and city clusters to play their role as comprehensive development driver of the region. The percentage of permanent urban residents of the PRC has just passed 60%. With the further implementation of new urbanization, people will continue to flow into central cities and the surrounding areas of city clusters, and more property development opportunities will arise in first- and second-tier core cities and metropolitan areas.

In terms of self-owned assets business, office building assets in first-tier cities were impacted materially by the COVID-19 in early 2020 and the vacancy rates increased continuously. With the pandemic being brought under effective control, since the second quarter of 2020, the impacts of the pandemic on the market started to decline and the market started to gradually recover. The year of 2020 marked a turning point of long-term rental department market, in which companies with unhealthy development model and poor operation started to be eliminated from the market. It has been expressly stated that the “housing purchase and renting” system will continue to be implemented. With the continuous flow of people into core cities and city clusters, renting has become an important channel to satisfy the demand for housing of the moving-in people indicating a huge development potential in the housing rental market.

In 2020, the pandemic has brought significant challenges to the capabilities in respect of management and service of the property industry but has also demonstrated the unique value of property industry in the social and economic activities, and the value of the industry has been identified and recognized by the market. The state actively encourages property service companies to utilize Internet of Things, cloud computing and other technologies to improve the standard of smart property management services and encourages these companies to expand to elderly care, child nursing, express delivery and other sectors. Throughout the whole year of 2020, a total of 17 property service companies were listed in Hong Kong. There were more merger and acquisition cases in the property industry and the competition will become fiercer in the property service industry.

In 2021, which marks the first year of the PRC's "14th Five-year Plan", the state will promote the people-centered new urbanization focusing on city clusters and enhance the economic and population carrying capacities of central cities, city clusters and other advantageous regions in respect of economic development. The core logic of the development of property industry has always been focusing on industry, population and transportation. With first-tier cities gradually entering an era of stock market, central cities and city clusters with proper industrial foundation, expected convenient rail transportation and potential of population building up will present good opportunities for the development of property industry. Jingrui will follow the market trend and the guidance of national policies and will continue to focus on the market of first- and second-tier cities and metropolitan areas, develop property projects with relatively high margin of safety and stable investment return, and develop our self-owned property business in a healthy and prudent manner. In addition, the Company will continue to devote more efforts to accelerating the development of property service segment to provide more and better services to more property owners.

Business Overview

In 2020, the Group achieved (including those of joint ventures and associates on a 100% basis) contracted sales of approximately RMB25,507.0 million and total contracted gross floor area ("GFA") sold was approximately 1,157,658 sq.m.. For the Year, the Group achieved revenue of RMB12,782.4 million (2019: RMB13,285.1 million). The Group achieved a net profit attributable to equity holders of the Company of RMB958.1 million (2019: RMB903.6 million) throughout the Year, representing an increase of 6.0% as compared to last year.

During the Year, revenue from property sales recognized by the Group amounted to RMB11,972.5 million (2019: RMB12,366.1 million), representing a decrease of 3.2% as compared to last year. It was mainly due to the decrease in GFA of properties delivered by the Group during the Year. Revenue from property sales of the Group accounted for approximately 93.7% of our total revenue for the Year (2019: 93.1%), and property sales maintained to the core operating business of the Group. The Group's apartment and office business, which has been deployed since the end of 2017, has gradually generated revenue, and property management service has made significant progress in non-group businesses. The above development of businesses has further enhanced the Group's diversified competitiveness, and the Group has won a good reputation and brand image, while improving customer loyalty and satisfaction.

The Group continues to uphold the development strategy of its cultivation in the Yangtze River Delta region, and actively expand high-quality projects in key cities around the Yangtze River Delta and Chengdu-Chongqing region. In 2020, we obtained 15 projects in Chongqing, Shanghai, Wuhan, Hangzhou, Suzhou, Wuxi, Changzhou, Yangzhou, Chengdu, Tianjin, Hefei and Nanchang, with approximately 2,159,706 sq.m. increase in GFA of land reserve and RMB11,745 million in total project investment. The land cost per sq.m. (based on the estimated GFA) was approximately RMB5,438. In 2020, the Group obtained 4 projects in Chengdu, Hefei and Nanchang and successfully expanded its real estate business to 22 cities across the country. As at 31 December 2020, the total GFA for land reserves owned by the Group was approximately 4,957,541 sq.m., which was increased by 5.3% from the end of the previous year. We expect the land reserves to be sufficient to meet the Group's development needs for the next two to three years. We believe that most of our land reserves are located in the first- and second-tier core cities in the Yangtze River Delta region of 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, June and November 2020, the Company issued three batches of senior notes of US\$190 million, US\$150 million and US\$240 million, which will be due in March 2022, September 2022 and February 2023 with an interest rate of 12.75%, 12% and 14.5%, respectively. Combined with the bonds issued in November 2020, the Company achieved the exchange of senior notes of approximately US\$143 million, which will be due in 2021 with an interest rate of 9.45%. The issuance and exchange of such senior notes further optimized our debt structure. Meanwhile, Jingrui further expanded its share capital by raising HK\$303 million through a public placement of 138,619,000 shares to the market at HK\$2.20 per share in December 2020.

The strong performance in contracted property sales further strengthened our financial position during the Year. As of 31 December 2020, our cash at bank and on hand (including restricted cash) reached RMB13,646.5 million. At the same time, unutilized bank facilities amounted to approximately RMB26,545.9 million. As of 31 December 2020, our net debt-to-equity ratio was approximately 69%. 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 2020, the Group achieved contracted sales of approximately RMB25,507.0 million (including those of joint ventures and associates on a 100% basis) and total contracted GFA sold was approximately 1,157,658 sq.m.. Our contracted sales were primarily generated from Zhejiang Province, Jiangsu Province and the municipalities, which were approximately RMB9,316.8 million, RMB5,615.3 million and RMB5,607.9 million (excluding car parks) respectively, representing 36.5%, 22.0% and 22.0% of the total contracted sales, respectively.

Details of the Group's contracted sales in 2020

The following table sets out the geographic breakdown of the Group's contracted sales in 2020:

Project Name	Contracted GFA Sold <i>sq.m.</i>	Contracted Sales <i>RMB'000</i>	Contracted Average Selling Price ("ASP") <i>RMB/sq.m.</i>
Shanghai			
Shanghai Jingrui City Park	16,463	557,539	33,866
Shanghai Jingrui Upper Riverside	3,633	475,206	130,803
Shanghai Jingrui Xinmei Mansion Project	7,118	178,000	25,007
Shanghai Sheshan Yuehu Villa	2,210	278,780	126,145
Tianjin			
Tianjin The Great Habitat Mansion House	58,573	1,042,423	17,797
Tianjin Sea Blue City	54,399	782,888	14,392
Tianjin No. 6, Tang Gu Bay	43,882	589,075	13,424
Tianjin Jingrui Hanlin	27,969	563,460	20,146
Tianjin Liuhe Mingzhu	25,154	290,925	11,566
Tianjin Jingrui No. 1, Tang Gu Bay	11,909	162,263	13,625
Tianjin Yuetiandi	9,576	123,524	12,899
Tianjin Jingrui Yuexitai	4,682	59,091	12,621
Beijing			
Beijing Jingrui Shangyuan Project	5,768	476,000	82,524
Chongqing			
Chongqing Jingrui Jiangshan Yufu (Lot District C, Jiulongyuan, Jiulongpo District)	3,507	28,741	8,195
Sub-total of centrally direct-controlled municipalities	274,843	5,607,915	20,404

Project Name	Contracted GFA Sold <i>sq.m.</i>	Contracted Sales <i>RMB'000</i>	Contracted ASP <i>RMB/sq.m.</i>
Hangzhou			
Hangzhou Jingrui Haiyi Cuiting (Lot 4, Chongxian Xiangyang)	69,521	1,602,929	23,057
Hangzhou Greentown Xixi Yunlu	12,620	1,198,900	95,000
Hangzhou Jingrui Vital House	16,277	773,196	47,502
Hangzhou Jingrui Yuan Villa	10,477	354,490	33,835
Hangzhou Jingrui Qinghai (Lot XSCQ1402-08, Ningwei Unit, Xiaoshan)	9,957	333,706	33,515
Hangzhou Jingrui Yangming Valley	731	36,513	49,949
Ningbo			
Ningbo Jingrui Shuiyin Jiangshan	93,070	2,270,669	24,397
Ningbo Xinghai Land	50,312	617,105	12,266
Ningbo Jingrui In Times	2,547	56,007	21,989
Ningbo Jingrui Headream Mansion	323	13,240	40,991
Ningbo Jingrui Dignity Mansion	666	9,567	14,365
Ningbo Jingrui Xingning Mansion	200	4,986	24,930
Jiaxing			
Jiaxing Jingrui Puyue Lake	105,939	2,042,791	19,283
Zhoushan			
Zhoushan Jingrui Titian Garden	480	2,735	5,698
Sub-total of Zhejiang Province	373,120	9,316,834	24,970

Project Name	Contracted GFA Sold <i>sq.m.</i>	Contracted Sales <i>RMB'000</i>	Contracted ASP <i>RMB/sq.m.</i>
Suzhou			
Suzhou Jingrui Changshu Jiangnan Mansion	44,863	836,129	18,637
Suzhou Junyue Tower	18,733	221,366	11,817
Suzhou Taicang Luminaries Park (Lot 15-2, Chengxiang)	12,167	205,498	16,890
Suzhou Jingrui Taicang Yueting (Xinhu Project)	3,377	44,291	13,115
Nanjing			
Nanjing Xijiang Ruifu	134,610	3,548,534	26,362
Nanjing Hefeng Nan'an	21,343	531,435	24,900
Nanjing Xitang Mansion	3,600	206,474	57,354
Nanjing Golden East	786	21,555	27,424
Sub-total of Jiangsu Province	239,479	5,615,282	23,448
Wuhan			
Wuhan Jingrui Tianfu Binjiang	62,828	931,635	14,828
Wuhan Jingrui Jiangnanyue (Lot 079, Caidian)	33,721	312,553	9,269
Wuhan Jingrui Tianfu Peninsula	8,130	239,977	29,517
Wuhan Jingrui Jiangshanyue (Caidian Sino-French P (2019) 080 Project)	19,363	220,161	11,370
Hefei			
Hefei Jingrui Haomen Jindi	77,025	1,519,353	19,725
Nanchang			
Nanchang Jingrui Hongxing Plaza	69,149	809,254	11,703
Sub-total of other provinces	270,216	4,032,933	14,925
Car park (lots)	9,255	934,009	
Total	1,157,658⁽¹⁾	25,506,973	22,033

Note:

(1) Excluding the area of car parks.

Land Bank

As at 31 December 2020, the total land bank of the Group was 4,957,541 sq.m. or 2,625,143 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities for the year ended 31 December 2020

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>
Municipalities directly under the central government				
Shanghai	258,120	5.2	174,740	6.7
Beijing	33,931	0.7	31,800	1.2
Tianjin	927,813	18.7	486,096	18.5
Chongqing	243,604	4.9	137,970	5.2
Sub-total	1,463,468	29.5	830,606	31.6
Zhejiang Province				
Hangzhou	204,940	4.1	146,942	5.6
Ningbo	187,450	3.8	162,030	6.2
Shaoxing	53,605	1.1	53,605	2.0
Zhoushan	1,997	—	1,997	0.1
Jiaxing	130,387	2.6	52,155	2.0
Sub-total	578,379	11.6	416,729	15.9

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>
Jiangsu Province				
Suzhou	503,039	10.1	283,686	10.8
Nanjing	412,556	8.3	149,846	5.7
Wuxi	57,199	1.2	24,098	0.9
Changzhou	198,635	4.0	106,462	4.1
Yangzhou	252,782	5.1	113,422	4.3
Sub-total	1,424,211	28.7	677,514	25.8
Other Provinces				
Hefei	122,424	2.5	61,212	2.3
Nanchang	251,298	5.1	128,162	4.9
Chengdu	147,778	3.0	125,373	4.8
Wuhan	969,983	19.6	385,547	14.7
Sub-total	1,491,483	30.2	700,294	26.7
Total	4,957,541	100.0	2,625,143	100.0

In 2020, we acquired 15 projects in cities such as Chongqing, Shanghai, Wuhan, Hangzhou, Suzhou, Wuxi, Changzhou, Yangzhou, Chengdu, Tianjin, Hefei and Nanchang with the total investment amount of these projects being approximately RMB11,745 million, increasing our total GFA of land bank by 2,159,706 sq.m..

Details of land and property acquisition for the year ended 31 December 2020

City	Project/Land Parcel	Land Use	Attributable Interest %	Site Area sq.m.	Expected Total GFA sq.m.	Expected Total GFA Above Ground sq.m.	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 above ground) RMB/sq.m.
Chongqing	Lot District C, Jiulongyuan, Jiulongpo District	Residential	54	57,359	144,235	103,244	218	1,511	2,112
Shanghai	No. 37-01, Unit SJC10010, Zhongshan Street, Songjiang District	Residential	36	15,042	35,326	24,067	589	16,673	24,473
Wuhan	Caidian Sino-French P (2019) 080 Project	Residential & commercial	60	39,266	106,653	79,492	313	2,935	3,938
Hangzhou	Lot XSCQ1402-08, Ningwei Unit, Xiaoshan	Residential & commercial	100	23,089	80,522	57,722	1,054	13,090	18,260
Suzhou	Lot 15-2, Taicang Chengxiang	Residential	16	32,399	74,383	53,320	356	4,786	6,677
Wuxi	Lot Xiguotu (Jing) 2020-42, Binhu District	Residential	42	17,664	57,490	42,393	763	13,272	17,998
Changzhou	North Lot of Juhu Road, Wujin District	Residential	51	68,809	179,226	137,618	2,212	12,342	16,073
Chongqing	Lot L66 sub-district L, Xiyong Group, Shapingba District	Residential	60	44,932	107,308	67,398	522	4,865	7,745
Yangzhou	Lot Tangwang Middle School, Guangling District	Residential	100	23,838	53,675	38,827	348	6,483	8,963
Chengdu	Yaqing Project, Wenjiang Guanghua New City	Residential & commercial	80	21,709	75,058	54,272	354	4,716	6,523
Chengdu	Shijichunqu Project, Wenjiang Guanghua New City	Residential & commercial	90	20,378	71,717	50,944	333	4,643	6,537
Yangzhou	Lot West Lake Suzhuang, New City of West District	Residential	30	79,149	198,106	145,318	1,639	8,273	11,279
Tianjin	Lot Huayuan, Binhai New Area	Residential & commercial	90	78,600	207,259	150,300	1,405	6,779	9,348
Hefei	Haomen Jindi Project, Baohe District	Residential	50	120,152	413,932	306,902	980	2,368	3,193
Nanchang	Hongxing Plaza	Residential & commercial	51	110,780	354,816	261,927	659	1,857	2,516
Total				753,166	2,159,706	1,573,744	11,745	5,438	7,463

Revenue from Sales of Properties

The revenue from sales of properties for the Year was approximately RMB11,972.5 million, representing a decrease of 3.2% as compared to last year, and its distribution is mainly as follows:

	Revenue RMB'000	Percentage of Total Revenue %	GFA sq.m.	ASP RMB/sq.m.
Shanghai				
Shanghai Jingrui City Park	1,241,562	10.4	36,676	33,852
Shanghai Jingrui Upper Riverside	163,682	1.4	1,447	113,118
Jiangsu Province				
Suzhou Jingrui Jade Bay	53,796	0.4	4,697	11,453
Suzhou Jingrui Dignity Mansion	2,220	—	146	15,205
Suzhou Jingrui Majestic Mansion	112,638	0.9	3,862	29,166
Suzhou Jingrui Sino Park	746,484	6.2	41,724	17,891
Suzhou Jingrui Huyu Shangyuan	765,135	6.4	42,259	18,106
Zhejiang Province				
Hangzhou Jingrui Shenhua County	8,721	0.1	135	64,600
Hangzhou Jingrui Flange Park	1,316	—	89	14,787
Hangzhou Jingrui Vital House	2,200,042	18.4	52,285	42,078
Hangzhou Jingrui Yangming Valley	58,825	0.5	2,910	20,215
Hangzhou Jingrui Yuan Villa	51,265	0.4	4,645	11,037
Ningbo Jingrui In Times	163,904	1.4	11,196	14,640
Ningbo Jingrui Nobility Mansion	1,207	—	47	25,681
Ningbo Jingrui Xingning Mansion	899,145	7.5	36,911	24,360
Ningbo Jingrui Headream Mansion	6,073	0.1	162	37,488
Ningbo Jingrui Titian Garden	14,825	0.1	1,100	13,477
Ningbo Jingrui Tianfu Yaojiang	19,743	0.2	1,228	16,077
Zhoushan Jingrui Titian Garden	536,722	4.5	47,665	11,260
Hangzhou Jingrui Flange Park	213,670	1.8		
Chongqing				
Chongqing Jingrui Online Family	21,696	0.2	1,574	13,784

	Revenue RMB'000	Percentage of Total Revenue %	GFA sq.m.	ASP RMB/sq.m.
Tianjin				
Tianjin Jingrui Sunny City	3,310	–	229	14,454
Tianjin Jingrui No. 1, Tang Gu Bay	681,659	5.7	54,490	12,510
Tianjin Jingrui Hanlin	452,743	3.8	23,214	19,503
Wuhan				
Wuhan Jingrui Tianfu Peninsula	225,289	1.9	8,059	27,955
Hefei				
Hefei Jingrui Haomen Jindi	2,216,575	18.5	126,159	17,570
Nanchang				
Nanchang Jingrui Hongxing Plaza	742,435	6.2	69,149	10,737
Other projects	5,199	–	1,397	3,722
Sub-total	11,609,881	97.0	573,455	20,245
Car park (lots)	362,647	3.0	4,427	
Total	11,972,528	100.0		

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 2020, Yan Capital Management has established and promoted 19 funds, with an aggregate size of the funds of approximately RMB7.67 billion and the total size of the existing funds is RMB3.67 billion. The proceeds from fund raising externally in 2020 amounted to approximately RMB940 million, of which RMB85 million is raised from offshore fund, further expanding the fund-raising channels. In addition, Youbang Fund of Funds (優邦母基金) has completed investments valued RMB1.06 billion and RMB120 million in Wujin Project in Changzhou and Jiangshan Yufu Project in Chongqing, respectively. During the Year, Yan Capital Management completed the withdrawal of 2 funds, with an annual investment return of approximately 12.4%.

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. Except for the Shanghai Maglink Project, which is still under renovation, all projects are in normal operation. As at 31 December 2020, the time-point occupancy rate of apartment projects was 94.1% and the time-point occupancy rate of office projects was 86.4%. At the same time, in late March 2020, Jingrui Capital completed the exit from the Beijing Jingrui Shangyuan Project through disposal of the entire equity interest of Shanghai Hao Pei Properties Limited (上海浩沛置業有限公司), realizing gains of RMB53.7 million.

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”, it has established property service companies in 50 cities in Tianjin, Chongqing, Zhejiang, Jiangsu, Anhui, Henan and other regions to undertake various property services, including villas, high-end apartments, commercial squares, government office buildings, etc. The contracted GFA has exceeded 46.8 million sq.m..

Co-Fortune Capital (合福資本)

Co-Fortune Capital, as an asset-light investment platform of the Group, aims to equip the other four major segments with asset 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 2020, the total number of investment projects of Co-Fortune Capital reached 15 with an aggregate investment amount of RMB1,060 million. Co-Fortune Capital completed the withdrawal of its investments in four projects, with an investment return of 18.1%.

Employees and Remuneration Policies

As at 31 December 2020, we had a total of 3,017 fulltime employees (31 December 2019: 3,035). 1,006 of our employees worked in property development operations, 1,817 of our employees were engaged in property management and 194 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 2020 amounted to RMB486.3 million (for the year ended 31 December 2019: RMB448.1 million). Staff costs include a remuneration expenses in relation to the share-based payments of RMB1.8 million recognized for the Year (for the year ended 31 December 2019: RMB13.5 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 2020, the revenue of the Group reached RMB12,782.4 million, representing a decrease of 3.8% as compared to RMB13,285.1 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

	2020		2019		Year-on-year change %
	<i>RMB'000</i>	Percentage of Total Revenue %	<i>RMB'000</i>	Percentage of Total Revenue %	
Revenue from contracts with customers recognised at a point in time					
– Sales of properties	11,972,528	93.7	12,366,104	93.1	(3.2)
– Others	51,644	0.4	59,016	0.4	(12.5)
	<u>12,024,172</u>	<u>94.1</u>	<u>12,425,120</u>	<u>93.5</u>	<u>(3.2)</u>
Revenue from contracts with customers recognized over time					
– Property management service	526,368	4.1	441,123	3.3	19.3
– Decoration of properties	–	–	180,264	1.4	(100.0)
	<u>526,368</u>	<u>4.1</u>	<u>621,387</u>	<u>4.7</u>	<u>(15.3)</u>
Rental income	<u>231,889</u>	<u>1.8</u>	<u>238,620</u>	<u>1.8</u>	<u>(2.8)</u>
Total	<u>12,782,429</u>	<u>100.0</u>	<u>13,285,127</u>	<u>100.0</u>	<u>(3.8)</u>

Revenue from sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 93.7% 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 Hefei Jingrui Haomen Jindi, Hangzhou Jingrui Vital House and Shanghai Jingrui City Park. Revenue from sales of properties decreased by approximately 3.2% to approximately RMB11,972.5 million in 2020 from approximately RMB12,366.1 million in 2019, mainly due to the decrease in the GFA of projects 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 2020, property management revenue of the Group was approximately RMB526.4 million, representing an increase of approximately 19.3% 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 realised revenue generated from decoration works we provided. In 2020, the Group did not have such revenue.

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 2020, rental income of the Group was approximately RMB231.9 million, keeping basically flat as compared to 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 decreased by 3.0% from RMB10,599.9 million in 2019 to RMB10,278.4 million in 2020, which was in line with the decrease of revenue.

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

	2020		2019	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Construction costs	3,376,806	32.8	4,135,389	39.0
Land use right costs	4,814,235	46.8	4,695,809	44.3
Capitalized interest	1,625,147	15.8	1,238,036	11.7
Sub-total: Total cost of properties	9,816,188	95.4	10,069,234	95.0
Surcharges	58,481	0.6	42,335	0.4
Provision for impairment of properties held or under development for sale, net	7,126	0.1	11,747	0.1
Other costs ⁽¹⁾	396,587	3.9	476,633	4.5
Total	10,278,382	100.0	10,599,949	100.0

Note:

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

Gross Profit and Gross Profit Margin

Our gross profit decreased by 6.7% from RMB2,685.2 million in 2019 to RMB2,504.0 million in 2020. The Group recorded a gross profit margin of approximately 19.6% for the year ended 31 December 2020, compared to approximately 20.2% for the year ended 31 December 2019.

Appreciation/(Depreciation) of Investment Properties under Capital Platform

For the year ended 31 December 2020, the appreciation of investment properties under capital platform was RMB56.7 million (2019: depreciation of RMB21.5 million). The appreciation of investment properties in 2020 was mainly due to price premium of Shanghai Jingrui Life Square and Shanghai Jingrui Xingfulai.

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

For the year ended 31 December 2020, the fair value losses on investment properties under other platforms were RMB17.0 million (2019: gains of RMB96.0 million). The fair value losses on investment properties in 2020 were mainly attributable to the depreciation of Ningbo Jingrui Harbour City Project.

Selling and Marketing Costs

Our selling and marketing costs increased by 35.5% from RMB385.6 million in 2019 to RMB522.3 million in 2020, the reason for the increase is that the Company has been actively expanding various sales channels and increasing its marketing and promotion efforts against the backdrop of the COVID-19 in order to ensure the achievement of its sales target.

Administrative Expenses

Our administrative expenses increased by 9.6% from RMB606.6 million in 2019 to RMB664.6 million in 2020. The increase was mainly due to increased management costs for newly entered cities.

Other Income and Other Gains, Net

We recorded other income of RMB223.1 million in 2020, compared to other income of RMB158.5 million in 2019. Other income recorded in 2020 mainly included the compensation income for demolition costs and the income on the government grants.

We recorded other gains of RMB327.4 million in 2020, compared to other gains of RMB146.7 million in 2019. Other gains recorded in 2020 were primarily due to the gains on the disposal and acquisition of projects.

Finance Income/(Costs), Net

Our finance income increased by 287.6% from RMB261.5 million in 2019 to RMB1,013.6 million in 2020, primarily as a result of the increase in interest income on bank deposits and the increase in exchange gains on overseas debts arising from the decline of US dollar exchange rates. Our finance costs increased by 42.8% from RMB527.0 million in 2019 to RMB752.5 million in 2020, mainly due to the increase in the amount of borrowings and interest rate on borrowings.

Share of Results of Joint Ventures/Associates

For the year ended 31 December 2020, our share of results of joint ventures/associates was a gain of RMB170.6 million (2019: RMB342.6 million), which mainly represented the profit carried forward from the income of joint ventures/associates during the year. The fair value of investment properties of joint ventures did not fluctuate significantly.

Income Tax Expense

Our income tax expense increased by 23.2% from RMB864.9 million in 2019 to RMB1,065.5 million in 2020, primarily due to the increase in land value-added tax and corporate income tax as a result of the carry-over of certain high-margin projects.

Profit for the Year

Profit for the Year reached RMB1,273.5 million, of which profit attributable to our equity holders was RMB958.1 million in 2020.

Liquidity and Capital Resources

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

Cash Positions

As at 31 December 2020, our cash at bank and on hand (including restricted cash) was RMB13,646.5 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 RMB19,005.3 million as at 31 December 2019 to RMB21,444.8 million as at 31 December 2020. As at 31 December 2020, we had unutilized banking facilities of approximately RMB26,545.9 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 2020, the assets used as collaterals for the borrowings amounted to RMB14,383.5 million (31 December 2019: RMB13,196.4 million). Our borrowings are mainly denominated in RMB and US dollars.

Breakdown of our borrowings by categories

	As at 31 December 2020 RMB'000	As at 31 December 2019 RMB'000	Change %
Current Borrowings:			
Bank loans, secured	1,908,565	2,050,250	(6.9)
Other loans, secured	322,000	–	–
Trust financing arrangements, secured	–	124,700	(100.0)
Add: current portion of long-term borrowings	6,909,305	7,223,063	(4.3)
Total Current Borrowings	9,139,870	9,398,013	(2.7)
Non-Current Borrowings:			
Bank loans, secured	6,418,178	4,742,601	35.3
Other loans, secured	2,190,498	1,459,000	50.1
Trust financing arrangements, secured	1,046,500	251,700	315.8
Senior notes due 2020, issued in January 2019, secured	–	1,042,469	(100.0)
Senior notes due 2020, issued in April 2017, secured	–	2,750,975	(100.0)
Senior notes due 2021, issued in April 2018, secured	1,348,822	2,429,874	(44.5)
Senior notes due 2021, issued in April 2019, secured	1,260,924	1,355,493	(7.0)
Senior notes due 2022, issued in July 2019, secured	1,688,076	1,805,273	(6.5)
Senior notes due 2022, issued in March 2020, secured	1,234,231	–	–
Senior notes due 2022, issued in June 2020, secured	972,150	–	–
Senior notes due 2023, issued in November 2020, secured	1,551,964	–	–
Corporate bonds due 2021	1,221,712	992,976	23.0
Corporate bonds due 2022	281,188	–	–
Less: current portion of long-term borrowings	(6,909,305)	(7,223,063)	(4.3)
Total Non-Current Borrowings	12,304,938	9,607,298	28.1
Total	21,444,808	19,005,311	12.8

Breakdown of our borrowings by maturity profiles

	As at 31 December			
	2020		2019	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Within 1 year	9,139,870	42.6	9,398,013	49.5
Between 1 and 2 years	7,056,245	32.9	5,916,425	31.1
Between 2 and 5 years	4,841,365	22.6	3,168,298	16.7
Over 5 years	407,328	1.9	522,575	2.7
Total	21,444,808	100.0	19,005,311	100.0

The proportion of the Group's long-term borrowings in the total borrowings was 57.4% for the year ended 31 December 2020, 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 %
	2020	2019	
	<i>RMB'000</i>	<i>RMB'000</i>	
Finance costs			
– Interest expensed	739,303	454,587	62.6
– Net foreign exchange losses on financing activities	–	57,731	(100.0)
– Interest on lease liabilities	13,216	14,549	(9.2)
– Amounts capitalised	1,290,629	1,550,206	(16.7)
Total	2,043,148	2,077,073	(1.6)

Net Debt-to-Capital Ratio

As at 31 December 2020, our net debt-to-capital ratio was 69% (31 December 2019: 58%). Net debt-to-capital ratio is calculated as net debt at the end of the period divided by total equity, and multiplied by 100%. Net debt is calculated as total borrowings minus cash and cash equivalents and restricted cash.

Contingent Liabilities

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

As at 31 December 2020, 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 RMB5,416.5 million (2019: RMB4,363.1 million). In addition, we provided guarantee for certain bank loans amounting to RMB872.2 million (2019: RMB1,484.0 million) for our joint ventures and associates.

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

Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities disclosed above, as of 31 December 2020, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings and other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

Interest Rate Risk

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

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

Foreign Exchange Risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risks, except for bank deposits and our senior notes issued in 2018, 2019 and 2020, 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 of 31 December 2020, 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 2020.

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, 8 June 2021. 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 proposes to pay a dividend of HKD0.25 per share for the year ended 31 December 2020 (the "Dividend") (2019: HKD0.24) to the shareholders whose names appear on the register of members of the Company on 30 June 2021, subject to the approval by shareholders at the forthcoming AGM. The Dividend, if approved by the Company's shareholders at the AGM, will be paid in cash on 14 July 2021.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 29 May 2021 to Tuesday, 8 June 2021, 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, 8 June 2021. 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, 28 May 2021.

The register of members of the Company will be closed from Saturday, 26 June 2021 to Wednesday, 30 June 2021, both days inclusive, in order to determine the identity of the shareholders who are eligible to receive the Dividend. In order to qualify for receiving the Dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 25 June 2021. Subject to approval by the shareholders at the AGM, dividend warrants are expected to be despatched to the shareholders by post on or before Wednesday, 14 July 2021.

PREVIOUS EQUITY FUND RAISING ACTIVITIES

Date	Fund raising activity	Net proceeds raised (approximately)	Intended use of the net proceeds	Actual use of net proceeds
December 2020	Allotment of 138,619,000 shares of the Company	HK\$303 million	Repayment of overseas debts by the Company	Used as intended

IMPORTANT EVENTS AFFECTING THE GROUP SINCE 31 DECEMBER 2020

Issuance of senior notes

On 19 March 2021, the Company issued US\$110,000,000 14.5% senior notes due 2023 (to be consolidated and form a single class with the US\$240,000,000 14.5% senior notes due 2023 issued on 19 November 2020), the offering price of the notes will be 100.8% of the principal amount of the notes, and the proceeds will be used to refinance the Group's existing indebtedness. Further details of issuance of senior notes due 2023 were disclosed in the announcements of the Company dated 17, 19 and 22 March 2021.

Save as disclosed above, no other important event affecting the Group has occurred since 31 December 2020 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 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 paragraph A.2.1 of the CG Code. Mr. Yan, as one of the founders of the Group, is instrumental to the Company’s growth and business expansion since 1999. The Board considers that vesting the roles of co-chairman and chief executive officer of the Company in Mr. Yan facilitates and maximizes the effectiveness of the execution of the Group’s business strategies. The executive functions and day-to-day management of the business are carried out by Mr. Yan as the chief executive officer of the Company. In addition, the Board believes that the powers and authorities of the co-chairmen of the Company have not been concentrated as the responsibilities have been shared between the co-chairmen of the Company. The Board also believes that the balance of power and authority is adequately ensured by the operations of senior management of the Company and the Board, which comprises experienced and high caliber individuals. The Board currently comprises four executive Directors (including Mr. Yan) and three independent non-executive Directors and therefore has a strong independence element in its composition. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

REVIEW BY AUDIT COMMITTEE

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

The figures in respect of the Group’s consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2020 as set out in this results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers (“**PwC**”), to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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:

The Company purchased an aggregate principal amount of US\$123,120,000 of the Company's 7.75% senior notes due April 2020 listed on the Stock Exchange (the "**Notes Due April 2020**") with a total consideration of US\$127,198,000 (including unpaid interests accrued). The abovementioned notes were subsequently cancelled in March and April 2020 (together with the aggregate principal amount of US\$5,000,000 of Notes Due April 2020 which were purchased in 2019).

The Company purchased an aggregate principal amount of US\$6,800,000 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\$6,875,000 (including unpaid interests accrued). Among the abovementioned notes, a principal amount of US\$1,600,000 of the Notes Due October 2021 were subsequently cancelled in March 2020 (together with the aggregate principal amount of US\$3,400,000 of Notes Due October 2021 which were purchased in 2019).

The Company purchased an aggregate principal amount of US\$200,000 of the Company's 9.45% senior notes due April 2021 listed on the Stock Exchange (the "**Notes Due April 2021**") with a total consideration of US\$201,000 (including unpaid interests accrued). The abovementioned notes were subsequently cancelled in March 2020.

The Company purchased an aggregate principal amount of US\$1,000,000 of the Company's 12.0% senior notes due July 2022 listed on the Stock Exchange (the "**Notes Due July 2022**") with a total consideration of US\$989,000 (including unpaid interests accrued).

On 12 March 2020, the Company issued US\$190,000,000 12.75% senior notes due March 2022 (the "**Notes Due March 2022**"). The Notes Due March 2022 are listed on the Singapore Exchange Securities Trading Limited. Details of the issuance of the Notes Due March 2022 were disclosed in the announcements of the Company dated 4, 5 and 12 March 2020.

On 13 April 2020, the Company redeemed the aggregate principal amount of US\$271,880,000 of the Notes Due April 2020 with a total consideration of US\$282,415,000 (including unpaid interests accrued) upon maturity of the Notes Due April 2020 in accordance with the terms of the Notes Due April 2020. The abovementioned notes were subsequently cancelled after the redemption.

On 26 June 2020, the Company issued US\$150,000,000 12.00% senior notes due September 2022 (the "**Notes Due September 2022**"). The Notes Due September 2022 are listed on the Stock Exchange. Details of the issuance of the Notes Due September 2022 were disclosed in the announcement of the Company dated 26 June 2020.

The Company purchased an aggregate principal amount of US\$35,000,000 of the Company's 13% senior notes due July 2020 listed on the Stock Exchange (the "**Notes Due July 2020**") with a total consideration of US\$37,054,000 (including unpaid interests accrued). The abovementioned notes were subsequently cancelled in July 2020.

On 30 July 2020, the Company redeemed the aggregate principal amount of US\$115,000,000 of the Notes Due July 2020 with a total consideration of US\$122,475,000 (including unpaid interests accrued) upon maturity of the Notes Due July 2020 in accordance with the terms of the Notes Due July 2020. The abovementioned notes were subsequently cancelled after the redemption.

On 19 November 2020, the Company issued US\$240,000,000 14.5% senior notes due February 2023 (the "**Notes Due February 2023**"), US\$142,815,000 of which are senior notes issued pursuant to the exchange offer with respect to the Notes Due April 2021. After the new issuance, US\$142,815,000 of the Notes Due April 2021 were cancelled after the redemption. The Notes Due February 2023 are listed on the Stock Exchange. Details of the issuance of the Notes Due February 2023 and the exchange of the Notes Due April 2021 were disclosed in the announcements of the Company dated 5, 9, 16, 17, 19 and 20 November 2020.

On 15 December 2020, the Company placed up to 138,619,000 shares to not less than six places at a placing price of HK\$2.20 per placing share through the placing agent. The aggregate gross proceeds from the placing were approximately HK\$304,962,000 and the net proceeds from the placing was approximately HK\$303,414,000. Details of the placing of shares were disclosed in the announcements of the Company dated 3 and 15 December 2020.

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 2020.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2020 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2020 Annual Report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course for inspection.

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

Hong Kong, 23 March 2021

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