

Business Update

Jingrui Holdings initially covered by Haitong International Securities with outperform rating and target price of HK\$4.80

On January 8, Haitong International initiated coverage on Jingrui Holdings with outperform rating and target price of HK\$4.80. The target price was 75% discount to the estimated NAV per share, which is higher than the peers average discount of 61%. Haitong International believes that the Company has sufficient land bank in the economically developed Yangtze River Delta region making up 54.6% of its total landbank. At the same time, the Company asset-light business keeps going in past years, with good financial health in past years and a relatively low net gearing ratio.

Jingrui Holdings has sufficient land bank. As of the end of September 2020, the saleable value of the Company is approximately RMB75.4 billion. Haitong International believes that it is sufficient to meet the development and sales needs of Jingrui Holdings in the next three years and support the growth of the contracted ASP. At the same time, the asset-light business of Jingrui is also its notable advantage. Jingrui's management services currently cover 36 cities, and its business income has been growing in the past three years, with a CAGR of 39%.

As of the end of June 2020, the net debt ratio of Jingrui Holdings is 68%, which is lower than the industry average of 77%, and the cash to short-term indebtedness ratio is approximately 1.4x. Haitong International believes that Jingrui Holdings will continue to optimize its financial structure in the next few years and expects its net gearing ratio to be effectively reduced in the FY20-22.

Haitong International expects that the contracted sales of Jingrui Holdings will increase slightly in 2020-2022, and its decoration services and rental income will also increase by 10% year-on-year. It is estimated that the CAGR of total revenue during the same period is 7% and the CAGR of net profit is 12%. Haitong International believes that the Company has maintained a relatively high dividend payout ratio in the past fiscal year, which is better than its peers. It is expected that the Company will maintain its dividend policy in the future.

The initial coverage by Haitong International represents the diversified business development and stable capital management of Jingrui Holdings have been supervised and recognized by the market. Jingrui will take this as a motivation, continue adhering to the dual-drivers of "asset-light" and "design to value", continuously improve the value of assets, and be "committed to becoming the pioneer in asset management with the best knowledge in both architecture and lifestyle."

Stock Information

Stock Code	1862.HK
Closing Price	HK\$2.58
52-week Price Range	HK\$1.88–2.65
Market Cap	HK\$3.971 billion
Issued Shares	1.539 billion
Date of Listing	31 October 2013

Source: HKEX as of 31 January 2021

Result Highlights

1H20

Revenue	RMB3.154 billion
Gross Profit	RMB990 million
Net Profit	RMB345 million
Total Assets	RMB54.113 billion

(As of 30 June 2020)

2020

Contracted Sales	RMB25.507 billion
Contracted ASP	RMB22,033/sq.m.

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Jingrui Holdings received shareholding increase of 270,000 shares by Beyond Wisdom Limited

On January 6, Jingrui Holdings received shareholding increase of 270,000 shares by Beyond Wisdom Limited at an average price of HK\$2.1667 per share, involving a total of about HK\$585,000. After the increase, the latest number of shares held by Beyond Wisdom Limited is 623,960,613, and the shareholding ratio increased from 40.53% to 40.55%.

Jingrui Capital won two awards in Annual Ranking of Shanghai Leasing Brands

Recently, the "2020 Annual Ranking of Shanghai Leasing Brands" of E-House Corporation and CRIC, has been released. By virtue of its excellent operation and product strength, Jingrui Capital' s Joyride Apartment stood out in this selection and won two awards: top 1 of the service apartment with the best operation of rental apartments in Shanghai in 2020 and top 2 of the mainstream apartments with best design of rental apartments in Shanghai in 2020. Joyride Apartment Real Collection at Shanghai Zhongshan Park, which won the first place of the "best operation of rental apartments in Shanghai in 2020 - service apartments" is in mild luxury style and located in one of the most prosperous areas in Shanghai. Relying on the BI operation system established by Jingrui Capital' s own team, we can accurately control all business nodes and achieve the digital and dynamic management of stores. Since its opening, the rental rate of Joyride Apartment Real Collection at Shanghai Zhongshan Park has remained at more than 90%, and the renewal rate also ranks at the top of the industry.



Investor Relations Events

Jingrui Holdings held roadshow in Duration Finance Chinese Offshore Bonds Global Summit 2020

On 8 January 2021, the Duration Finance Chinese Offshore Bonds Global Summit 2020, jointly organized by Duration Finance and Guotai Junan International, was rounded off in Shenzhen. After the summit, Jingrui Holdings held a roadshow as issuer to share the Company's development strategy and future development direction against the backdrop of COVID-19 pandemic, which promoted further understanding of the Company among the investors and analysts and strengthen its positive image in the capital market.

Jingrui Holdings won Outstanding Issuer Award of Chinese Offshore Bonds

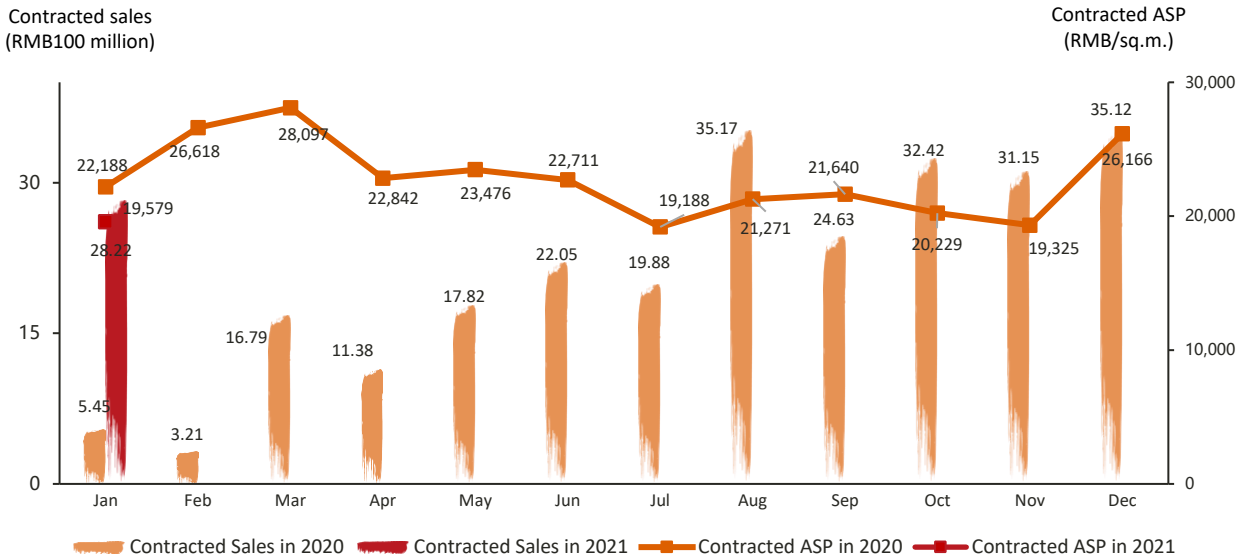
On the same day at the "Golden Duration" forum, Jingrui Holdings also won the Outstanding Issuer of Chinese Offshore Bonds - Real Estate Award. The experts in the judging panel selected the final award list based on factors such as the past performance growth, industry ranking, corporate governance, business model, market influence and capital market performance of the companies. The award shows that the Company has also gained a high degree of recognition in the debenture capital market.

Unaudited operating data for January 2021

Contracted Sales

In January 2021, the contracted sales of Jingrui Holdings (sales from joint ventures and associates) was approximately RMB2,822 million, representing a year-on-year increase of 417.8%; the contracted sales area was approximately 144,135 square meters, representing a year-on-year increase of 414.6%; the average contracted sales price was approximately RMB19,579 per square meter.

Monthly Contracted Sales (Jan. 2020–Jan. 2021)



About Jingrui

Founded in Shanghai in 1993, Jingrui Holdings Limited is one of the leading regional residential property developers in the Yangtze River Delta region of China. In 2017, Jingrui tapped into Beijing and Wuhan markets, extending its strategic footprint to four municipalities and 18 cities nationwide. Jingrui believes in reform and innovation. And the Company continuously optimises its development and adjusts its strategic blueprint. The Company initially completed its strategic transition and upgrading driven by "customers' insight" and "light assets" in 2016, highlighting the Company's value design capability with "customer insights" as its core, along with a fund operation model. At present, Jingrui has built a comprehensive platform with five businesses, namely: Yan Capital Management, Jingrui Properties, Jingrui Capital, Jingrui Service, and Co-Fortune Capital. By focusing on refined asset-light operations, Jingrui can penetrate the entire industry chain, which pushes the Company to transform itself from a traditional residential developer into an asset management service provider. For further information, please visit <http://www.jingruis.com>.

Disclaimer

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