

[For Immediate Release]



## JY Grandmark 2020 Interim Results Announcements

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**Market Opportunities Arise for “Eco-friendly and People-oriented Property”**

**Rapid Growth in Core Net Profit**

**Make Efforts to Deploy Urban Renewal**

**Increase Land Bank to Accelerate Geographic Deployment**

### Financial Highlight

	For the six months ended 30 June 2020		
<b>RMB million</b>	<b>2020</b>	2019	Change%
Revenue	<b>924.7</b>	762.4	+21.3%
Gross Profit	<b>404.5</b>	396.4	+2.0%
Gross Profit Margin	<b>43.7%</b>	52.0%	-8.3 p.p
Core net profit *	<b>193.8</b>	134.7	+43.9 %
Profit attributable to owners of the Company	<b>196.9</b>	185.0	+6.4%
The basic and diluted earnings per share ( RMB yuan )	<b>0.12</b>	0.15	-20%
Interim dividend declared per share ( RMB cents )	<b>3.59</b>	Nil	Nil

\*Core net profit represents profit for the period excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

(20 August 2020 - Hong Kong) – **JY Grandmark Holdings Limited** (“**JY Grandmark**” or the “**Company**”, which together with its subsidiaries, is referred to as the “**Group**”, stock code: 2231), a property developer and operator and property management service provider based in the People’s Republic of China (the “**PRC**”), is pleased to announce the interim results of the Company for the six months ended 30 June 2020 (the “**Period**”).

JY Grandmark positions itself as an “Eco-friendly and People-oriented Property Developer” and acquired land reserves in strategic locations with abundant natural resources, rich culture and potential for growth. The Group takes into account the natural and cultural resources of its project site in the design of properties to develop homes and communities that the Group considers to be truly liveable for buyers. This accurate positioning differentiates the Group from other property developers in the PRC.

During the Period, the Group's revenue amounted to approximately RMB924.7 million (1H2019: RMB762.4 million), representing a period-on-period increase of 21.3%. The Group's gross profit amounted to RMB404.5 million (1H2019: RMB 396.4 million), representing a period-on-period growth of 2.0%. Core net profit amounted to RMB193.8million (1H2019: RMB 134.7million), representing an increase of 43.9%. Profit attributable to owners of the Company amounted to RMB196.9 million (1H2019: RMB 185.0 million) , representing an increase of 6.4 %.

### **Market Opportunities Arise for “Eco-friendly and People-oriented Property”**

The epidemic outbreak occurred around the first half of the year has brought a change to the supply side of the property market. The demand for home purchasing for home upgrade continues to rise and tends to gradually exceed the rigid demand for home purchasing. The Group has been focusing on segmented markets and targeting at purchasers looking for a home upgrade and multi-house ownership. With “Eco-friendly and People-oriented Property” serving as our product development concept, we attach great importance to the health value that the internal and external living environment brings when selecting project sites, which help our products get increasing popularity in the market, and bring opportunities for the Group to further deepen the market.

The Group focus on the development of quality residential properties with comfortable and convenient living environment. During the Period under Review, revenue from recognised sales of property development of the Group amounted to RMB 884.7 million, representing an increase of 24.2% from RMB712.5 million for the same period of 2019. The increase in revenue recognised was primarily due to an increase in the aggregate gross floor area (“GFA”) completed and delivered as a result of the Group's continuing expansion.

### **Increase Land Bank to Accelerated Geographic Deployment**

During the Period, the Group actively participated in tenders, auctions or listing-for-sale: in March 2020, it once again obtained nine land parcels in Tengchong, Yunnan province, increasing developing areas by approximately 1.006 million sq.m. Located in the Qushi resort area in Tengchong, Yunnan province, where JY Gaoligong Town (景業高黎貢小鎮), a project of the Group for sale, was located, those land parcels have iconic landscapes and landforms and will be developed into projects under two different product lines.

As of 30 June 2020, JY Grandmark had property portfolio of a total of 32 property projects in Guangdong, Hainan, Yunnan, and Hunan, with an aggregate GFA of approximately 4,000,000 sq.m. , comprising completed properties available for sale or lease with an aggregate GFA of 230,000 sq.m , properties under development with an aggregate GFA of 750,000 sq.m. and properties held for future development with an aggregate GFA of 2,940,000 sq.m.. The Group has managed to secure a sufficient supply of land resources for property development over the coming three or more years.

In July 2020, the Group formed a joint venture with Jinke Properties (金科地產) with shareholding of 51%: 49% and obtained a high-quality land parcel at the top of the metro in Kengbei Village, Zengcheng District, Guangzhou (廣州增城區坑貝村地鐵上蓋) with developing areas of approximately 100,000 sq.m. It is a new area under the Group's deployment in the Guangdong-Hong Kong-Macao Greater Bay Area.

### **Diversified Business Strategies to Promote Healthy Development**

During the Period, the Group's revenue from property management amounted to RMB7.7million, representing an increase of 37.5% as compared with RMB5.6 million in the corresponding period of 2019, mainly due to increase in total GFA of the properties under management.

The Group currently self operates the Just Stay Hotel (廣州卓思道酒店) and Just Stay Resort (從化卓思道溫泉度假酒店). During the Period, revenue from hotel operations of the Group amounted to RMB21.4 million, representing a period-on-period decline by 41.5% from RMB36.6 million in the corresponding period of 2019, which was primarily owe to the impact of the outbreak of COVID-19. As the restaurants reopened and travels started to resume, revenue from hotel operations has been demonstrating a healthy recovery since the second quarter.

Other than holding properties for development and sales, the Group also owns commercial properties for leasing purpose. During the Period, revenue from commercial property investment of the Group amounted to RMB11.0 million, representing an increase of 42.9% as compared with RMB7.7 million in the corresponding period of 2019. The increase was mainly due to increase in total GFA leased in the first half of 2020.

### **Sound Financial Position Gained Recognition in the Capital Market**

With sound operating data, the Group gained recognition in the capital market. In March 2020, the 7.5% senior notes in the amount of US Dollar (“US\$”) 150 million issued by the Company were over-subscribed by institutional and individual investors. In May 2020, the Company was included as a constituent of the MSCI China Small Cap Index by Morgan Stanley Capital International. In July 2020, the Company was on the list of “Top 20 Guangdong Property Enterprises with High Credit Score(廣東地產資信20強)” organised by the Guangzhou Province branches of the four state-owned banks, being Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and Construction Bank of China. The recognition of the capital market provides stronger support for the development of the Group. Leveraging on the sound financial conditions and diversified funding channels, the Group still managed to achieve sustainable and high-quality development under the background of tightening funding in the industry.

**Mr. Michael Chan, Chairman and Executive Director of JY Grandmark said,** “In the first half of 2020, the national property market was affected by the outbreak of COVID-19, but as the epidemic got under control relatively quickly in Mainland China, the property market has shown a significant recovery trend, reflecting that the fundamentals of property market remain sound. Under such macro background, the Group operated well in the first half of the year. The Group actively ensured the quality and quantity of constructions and ensured the punctuality and effectiveness at the node for projects all over the country. It expanded sales channels and achieved our basic operating indicators. Among the nine property projects for sale, certain have, driven by market and as a result of effective transfer, recorded substantial increase in results.

Real estate development has come to the stock building age, and urban renewal becomes the blue ocean for real estate enterprises to actively deploy, and a core business growth point of the Group. At present, the Group is actively studying the possibility of a number of urban renewal projects, such as the core areas of Guangzhou and Foshan. The overall planning area is approximately 4 million sq.m., which is planned to be transferred in the next three years and will bring rapid growth to the land reserve and results for the Group.

Looking into the future, the Group will adhere to the development concept of “Eco-friendly and People-oriented Property Developer”, seize the rising demand of customers for improving their living environment and space, and deepen the building of a diversified “Eco-friendly and People-oriented” product line, thereby further enhancing our brand’s market competitiveness. It is the Group’s product strategy to realise both good reputation and high profits by building quality properties that meet the market needs and lead market trends and transferring higher added value into premium while ensuring the cost of projects developed under control.”

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### **About JY Grandmark Holdings Limited**

JY Grandmark is a property developer, operator and property management service provider based in the PRC. It runs four principal businesses, namely (i) property development and sales, (ii) hotel operations, (iii) property management and (iv) commercial property investment. The shares of JY Grandmark have been listed on the Hong Kong Stock Exchange since December 2019 and the Group has been included as a constituent of the MSCI China Small Cap Index since May 2020.

JY Grandmark has land resources in Guangdong, Hainan, Yunnan and Hunan provinces for its future development. The Group positions itself as an “Eco-friendly and People-oriented Property Developer” and acquired land reserves in strategic locations with abundant natural resources, rich culture and potential for growth. The Group takes into account the natural and cultural resources of its project site in the design of properties to develop homes and communities that the Group considers to be truly liveable for buyers. This accurate positioning differentiates the Group from other property developers in the PRC.

**For further information, please contact:**

**iPR Ogilvy Ltd.**

Callis Lau / Lorraine Luk / Shana Li / Leo Yeung

Tel: (852) 2136 6952 / 2169 0467 / 3920 7649 / 3920 7676

Fax: (852) 3170 6606

Email: callis.lau@iprogilvy.com / lorraine.luk@iprogilvy.com  
shana.li@iprogilvy.com / leo.yeung@iprogilvy.com