

【Immediate Release】



JY Grandmark Announces 2022 Interim Results

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Strengthen the Positioning of “Eco-friendly and People-oriented Property” Achieve Significant Progress in the Urban Renewal Business Hold Tight to the Cash Flow Continue to Forge ahead with Diversified Business Development

(31 August 2022, Hongkong) JY Grandmark Holdings Limited (“JY Grandmark” or the “Company”; together with its subsidiaries, the **“Group”**, stock code: 2231), a property developer, operator and property management service provider based in the People’s Republic of China (the **“PRC”**), announced its interim results for the six months ended 30 June 2022 (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.

In the first half of 2022, under the impact of the unfavourable macro market environment, the ongoing COVID-19 pandemic and the challenging operating conditions in the PRC property sector, the Group’s performance fell short of expectations while outperformed its peers. Guangzhou JY Uniworld is a key project of the Group in core area of the Greater Bay Area and has been well recognised by the market for its convenient transportation, complete supporting facilities and ingenious quality. In the first half of 2022, despite the downturn in the market, Guangzhou JY Uniworld has made breakthrough against the trend and become a popular property in eastern Guangzhou, demonstrating that sound positioning and quality stand the test of market.

Facing the severe external situation and the impact of the epidemic, the Group has conducted a comprehensive review of existing projects focusing on the start of construction and sales, business improvement, asset activation and cash flow management to maintain the stable operation of the Group. During the Period, the Group’s cash flow remained stable and various operations were carried out in an orderly manner. The Group’s contracted sales amounted to approximately RMB1,262.0 million with a contracted average selling price of RMB11,374 per sq.m.. The total contracted sales GFA was approximately 111,000 sq.m.. The recognised revenue during the Period was RMB308.2 million. Loss attributable to owners of the Company was RMB185.8 million. The Board of Directors has resolved not to declare the payment of interim dividend for the six months ended 30 June 2022.

Go All Out to Guarantee Delivery and Fulfill Commitments

In the first half of 2022, despite the severe control due to pandemic, the Group ensured the delivery of three projects (i.e. Yingde Grand Garden, Zhaoqing Uniworld and Yunnan Gaoligong Town) as scheduled by 30 June 2022 through managing construction progress, maintaining sound reserve fund for construction and actively deploying the delivery work. The Group strictly implemented the standardization of project quality, and conducted repeated inspections through 10 key processes, 71 inspections and 165 risk control. Through individual inspection model and making commitments to solve all problems found, the Group delivered the houses in high-quality condition, demonstrating the brand strengths of the Group.

Urban Renewal Business is Progressing Well, with Zhujiang Village Redevelopment Project Contributing to High-Quality Growth

The Zhujiang Village Redevelopment Project (珠江村舊改項目) under the urban renewal business is listed in the “Guangzhou City 2022 Urban Renewal Project Implementation Plan”, and significant progress has been made in the promotion and implementation of Zhujiang Village’s redevelopment. The Group will rely on its product advantages of “ecofriendly and people-oriented property” as its driving force, and aims at building the Zhujiang Village project into a waterway behind Zhujiang, a riverside high-end humanistic community that inherits Lingnan culture and innovates with high-quality craftsmanship. The Project is located in the Binjiang Business District, a core area along the Financial City. The Group will actively promote the project which will be a high-quality business growth point for its urban development and will help boost the sustainable development of this development business.

Achieve Both Revenue and Brand Enhancement in Property Management Business

During the Period, revenue from property management services of the Group amounted to RMB12.7 million, representing an increase of 19.8% as compared with RMB10.6 million for the same period of 2021, mainly due to increase in GFA of the properties under management. In the first half of 2022, the property management system implemented information systematization to improve the efficiency of property services. By continuously improving the efficiency of information processing and improving the overall service level, Zhuodu Property of the Group achieved a good brand reputation in the first half of 2022, with record high customer satisfaction and a steady improvement in reputation in terms of safety service, engineering service and environmental service. Meanwhile, the Group completed the delivery of three projects (i.e. Yingde Grand Garden, Zhaoqing Uniworld and Yunnan Gaoligong Town). The whole process of inspection and delivery reflected the sound service of Zhuodu Property, thus enhancing customer satisfaction and establishing the brand reputation of Zhuodu Property.

One More Resort Being Launched Under the Hotel Brand, which Strengthened the Group’s Diversified Strategic Layout

The Just Stay Maofengshan Cultural Tourism Resort (卓思道帽峰山文旅度假酒店) of the Group obtained the operating license in the first half of 2022 and successfully completed the preparation and construction. It is currently in the trial operation stage. Maofengshan Cultural Tourism Resort is a key ecological area planned by the Guangzhou Municipal Government as a forest health homestay development area in Guangzhou. It is a demonstration model for the Group to explore rural revitalization, and in the future, it will be built into a popular tourist resort hotel in the Greater Bay Area.

Sound Financial Position Gains Recognition in the Capital Market

The Group has been continuously perfecting its financial structure and further broadening its financing channels, its stable financial situation and diversified financing channels enable the Group to achieve sustainable and high-quality development under the tightening industry background. In January 2022, the Group successfully issued senior notes with nominal interest rate 7.5% due January 2023 in an aggregate principal amount of US\$152,100,000 (the “**2022 New Notes**”). The issue of the 2022 New Notes comprised of the exchange offer of the existing senior notes amounting to US\$149,600,000 and completion of concurrent new money issuance amounting to US\$2,500,000.

Mr. Michael Chan, Chairman and Executive Director of JY Grandmark said, “In the first half of 2022, affected by the overall downturn of the global economy and the market, as well as the keynote of ‘houses are for living in, not for speculation’, the central government of the PRC has successively issued policies in finance, land and market supervision while local governments have also made strict regulation continuously for long-term development. Under the severe market conditions, we achieved steady development and held tight to the cash flow and optimised our financial structure. Besides, we continued to promote diversified development in business areas of property development, property management, hotel and urban renewal, while we pursued an accurate market positioning and some of our forward-looking projects have been recognized by the market and boosted our overall sales performance to achieve a breakthrough against the trend.”

“Looking into the future, as the real estate market enters the era of stock, real estate companies have shifted their focus from high-speed growth to high-quality development and high-quality growth, making refined and differentiated operations becoming the key. The Group will adhere to a prudent and steady development approach in selecting business strategies. The Group will adhere to a stable strategy, strengthen cost efficiency control, reduce the Group’s operating cost, enhance cash flow management, and focus on ensuring delivery and completion filing. The Group will also strengthen risk control and contingency planning in the face of market uncertainty. Furthermore, we will consolidate the advancement of high-quality projects in the core areas and promote the urban renewal business, focusing on the operation quality of core urban assets to ensure high-quality project delivery, establish a good brand reputation and drive stable operation with excellent quality, further creating greater value for the shareholders.”

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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, Jiangsu 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 sites 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.

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