

【Immediate Release】



JY Grandmark Announces 2022 Annual Results

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Fortify the Positioning of “Eco-friendly and People-oriented Property” Demonstrate Solid Operational Resilience Strengthen Diversified Business Development

(30 March 2023, 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 annual results for the year ended 31 December 2022 (the **“Year”**).

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 2022, the impact of the unfavourable macro market environment, the ongoing COVID-19 pandemic and the challenging operating conditions in the PRC property sector adversely affected the Group’s earnings results. Facing the tough 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 and healthy operation of the Group. The Group’s annual contracted sales amounted to approximately RMB2,064.4 million with a contracted average selling price of RMB6,666 per sq.m.. The total contracted sales GFA was approximately 198,000 sq.m.. The recognised revenue during the Year was RMB513.3 million. Loss attributable to owners of the Company was RMB721.9 million. The Board of Directors has resolved not to declare the payment of final dividend for the year ended 31 December 2022.

Strong Projects Sales Against Market Downturn, Further Enhance Brand Awareness

In spite of the stiff market environment, the Group was still ranked top five in terms of market share in certain district markets in 2022. The Group’s JY Gaoligong Town, a cultural tourism project in Tengchong, sold well against the trend in low season with the turnover exceeded RMB 100 million in a single month, proven to be a highly sought-after property in the district. Two projects, namely, Qingyuan JY Grand Garden and Zhaoqing JY Uniworld, were successfully delivered en masse on 30 September, realising the Group’s promise to the market through actual action and performance. In 2022, the Group has been in the process of assessing the supply and demand relations of its projects in various regions whose development scale was in a gradual and steady upward trend. As such, the Group expects its market share to rise in consistent with such steady momentum of development scale which increasingly aligns with market demands.

The Group is currently in the process of brand building. As its brand premium is still not apparent, time is needed for gaining recognition every time the Group enters a new city. However, the Group has managed to secure a desirable premium through its outstanding product design. At the same time, the Group’s listing has boosted local customers’ confidence in itself and its projects, which further speeded

up the spread of its brand and enhanced its reputation. For example, despite the recurring outbreaks and extremely low customer flow in 2022, the JY Grand Garden in Qingyuan, Jinke JY Grand Garden and JY Uniworld in Zengcheng and JY Gaoligong Town in Tengchong still managed to be among the top sales projects in the segment and have gradually built up regional brand awareness of JY Grandmark.

Steady Growth in Property Management Business

During the Year, revenue from property management services of the Group amounted to RMB28.8 million, representing an increase of 29.7% as compared with RMB22.2 million for the same period of 2021, mainly due to the stable growth in GFA of the properties under management. As of 2022, there were 9,790 households and 1.365 million sq.m. of area under the Group's management, of which 3,478 households and 284,400 sq.m. of area were added in 2022. Zhuodu Property has taken over the gardening work of the Group's development projects of JY Mafeng Town and Zhaoqing JY Uniworld since the beginning of 2022, which saved considerable amount of gardening costs for the Company.

One More Inn Being Launched Under the Hotel Brand, Optimize Operation and Profitability

The Group added another member to its hotel brand, Just Stay Inn under the Group was completed and officially opened during the Year, further consolidating the Group's diversified strategic layout. Just Stay Inn is located in the key ecological area of the Guangzhou Forest Recreation and Hostel Development Zone planned by the Guangzhou Municipal Government. It is an example of the Group's venture into countryside revitalization.

In addition, Just Stay Hotel in Panyu District, Guangzhou actively developed businesses by engaging in marketing activities in low seasons and revenue-generating activities in high seasons. The launch of long-term rental apartments and chess room service in March and April in 2022 has enhanced the profitability of the hotel due to product diversity. Just Stay Resort in Conghua District, Guangzhou began to collect feedback from guests who checked into the resort offline in order to avoid food waste. It also achieved a reduction in procurement costs through expanding procurement channels, sorting supplies in more effective ways and purchasing from different suppliers or channels.

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 Notes**"). The issue of the 2022 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. Subsequently, on 12 January 2023, the Group issued senior notes with nominal interest rate 9.5% due 11 January 2024 in an aggregate principal amount of US\$152,100,000 (the "**2023 Notes**"), representing 100% exchange offer of the existing 2022 Notes. The 2023 Notes were listed on the Stock Exchange on 13 January 2023.

Mr. Michael Chan, Chairman and Executive Director of JY Grandmark said, "In late 2022, the Chinese government has started to prop up the market by introducing significant financial control such as the "Third Arrow" and "16 Financial Measures for the Property Market", which are conducive to boosting home buyers' confidence and ensuring the healthy operation of the real estate sector. In addition, the optimisation of the anti-epidemic policies has also provided a foundation for subsequent economic recovery and restoration of industry confidence."

"Looking into the future, we believe that with the current property market poised for a rebound followed by a bottoming out, and there is every likelihood that the market will see a gradual recovery in 2023. However, it will still take time for the overall economic environment to recover. We maintain a "cautiously optimistic" attitude, therefore "stability" remains the theme of the Company's development in 2023.

Systematic capabilities with more refinement will be the factor determining our own operating capacity. At JY Grandmark, we stress the importance of pragmatic operation and effective value creation, regarding cash flows as the core business strategy and improving our resilience through enhanced evaluation of fund collection and comprehensive management to ensure financial stability. At the same time, we will optimize our investment structure, and take advantage of industry trends and favourable policies to explore new types of diversified businesses, including urban renewal, asset operation, leasing, cultural tourism, elderly care and other areas with growing demand. Moreover, we will strengthen the effective integration of our own diversified businesses, revitalise our assets from the operational perspective, explore new drivers for business growth and develop new media businesses to boost our performance, so as to better cope with the market changes under the prevailing business environment with the normalisation of austerity measures and achieve long-term, stable and high-quality development.”

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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.

For further information, please contact: iPR Ogilvy Ltd.

Callis Lau / Lorraine Luk

Tel: (852) 2136 6952 / 2169 0467

Fax: (852) 3170 6606

Email: jygrandmark@iprogilvy.com