

[For Immediate Release]

Huijing Holdings Company Limited

(Stock code: 9968)

Announces First Annual Results after Listing

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Contracted Sales Rose to Exceed RMB 4,390 Million in 2019 Net Profit Increased by 54.6% to RMB 620 Million

Highlights :

- Contracted sales (including contracted sales from joint venture) reached approximately RMB 4,390 million in 2019, increasing 71.4% year-on-year
- Net profit was RMB 620 million, surging 54.6% year-on-year; net profit margin was 17.2%
- Effectively controlled the land acquisition cost and construction cost, thereby improving profitability. Gross profit was RMB 1,645 million, representing a strong year-on-year increase of 37.9%; and gross profit margin was 45.6%
- The total land reserve¹ GFA reached 2.94 million sq.m.¹, creating a solid foundation for sustainable development in the future

(Hong Kong, 26 March 2020) **Huijing Holdings Company Limited** (“**Huijing Holdings**” or the “**Group**”), an integrated residential and commercial property developer in the PRC, with a foothold in the Greater Bay Area, has announced the first annual results for the year ended 31 December 2019 (“FY2019” or “the Year”), since the Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”) on 16 January 2020.

Optimal operational structure and steady growth in performance

In FY2019, leveraging the advantages of a successful presence in the Guangdong-Hong Kong-Macau Greater Bay Area, rich quality land reserves and an excellent product and strong service capability, the Group has recorded all-round growth in its business results. During the Year, the Group has recorded contracted sales (including contracted sales from joint venture) of approximately RMB 4,390 million with a year-on-year increase of 71.4%, and a contracted gross floor area (“GFA”) sold of approximately 338,370 sq.m., representing an increase of 57.9% compared with 2018. For the year under review, the Group’s overall revenue and profit achieved stable growth with revenue amounting to RMB 3,610 million, representing a year-on-year surge of 61.1%, mainly attributed to sales of properties. Gross profit was approximately RMB 1,645 million, a strong year-on-year increase of approximately 37.9% and gross profit margin was approximately 45.6%. Profit for the year surged by 54.6% year-on-year to approximately RMB 620 million in 2019, and net profit margin was 17.2%. The basic earnings per share were RMB 0.14. The Board of Directors proposed the distribution of an annual dividend of HK 4.5 cents per share.

Mr. Lun Rui Xiang, Chairman and Non-Executive Director of Huijing Holdings, said, “The year 2019 has been an important year for Huijing Holdings, and its successful listing marks a milestone for the Group. Leveraging the successful presence in the Greater Bay Area with excellent products and strong service capabilities, the Group recorded dynamic growth in its business results. Contracted sales (including contracted sales from joint venture) reached RMB 4,390 million, a record high. Adhering to the robust and balanced development strategy and the mission to ‘Maintain a Foothold in the Greater Bay Area,’ the Group primarily focused on

¹: Excluding the non-saleable GFA

developments in the Peral River Delta, while expanding elsewhere into the Central China Region and East China Region. It has continuously improved its own business structure and enhanced its overall brand influence, winning the recognition of the industry and its customers while achieving satisfactory operational results.”

Strong presence in the Greater Bay Area, gains fruitful results in property sales

The Group adheres to the strategy of steady and balanced development as it strives to achieve the mission to “Maintain a Foothold in the Greater Bay Area” (立足大灣區) based in Dongguan and also continued to extend its reach into the Pearl River Delta, Central China Region, East China Region and key hub cities. As of 31 December 2019, the Group owns or has agreed to acquire 18 property projects in five cities across three provinces, with the planned GFA after completion of approximately 5.08 million sq.m.. During the Year, the Group’s revenue from sales of properties soared by around 60.9% year-on-year to approximately RMB 3.6 billion, accounting for around 99.9% of the total revenue. The Group recognized a total GFA of approximately 323,795 sq.m., an increase of approximately 53.1% as compared with last year. The average selling price (“ASP”) was approximately RMB 11,121 per sq.m., representing an increase of around 5.0% year-on-year.

Actively expands land reserves focusing on urban renewal projects

During the year under review, the Group’s total land reserves GFA was 2.94 million sq.m., with 18 projects located in five cities within the Greater Bay Area, Pearl River Delta, Central China Region and East China Region. Such ample high quality land reserves strongly guarantee and support a better balanced and steady development of the Group in the future. In addition, the Group continued to grasp land development opportunities through acquisition of land parcels at strategic and advantageous locations in those regions in order to further develop its business in aspects including core urban renewal projects, forming partnerships and company acquisitions, etc.

In terms of urban renewal projects, during the year under review, the Group has commenced official procedures for three urban renewal projects and has begun official discussions with relevant government parties over the acquisition of related land parcels Area (with total site area of approximately 240,000 sq.mm. Furthermore, it has obtained preparatory service provider qualifications for six urban renewal projects (with total site area of approximately 1.31 million sq.m.) and is commencing work on eight urban renewal project (with total site area of approximately 380,000 sq.m.). In the future, the Group intends to enlarge and strengthen the resources of the urban renewal team, implement the “blue ocean” strategy on the urban renewal projects with huge potential, acquire highly cost-competitive land tracts or projects in a rational, systematic, efficient and sustainable way. At the same time, it continues to expedite its existing urban renewal projects at a faster pace, thus maintaining its position as a leading developer of urban renewal projects in the Greater Bay Area.

Stable financial development based on a solid foundation

On top of the adequate land reserves and inventories for sales, the Group’s finances are stable, enabling it to further improve its financial structure and reduce finance costs. In 2019, the total assets of the Group were RMB 8.62 billion with net gearing ratio declining from 243.2% in 2018 to 82.6% in 2019. The Company’s assets are in good condition, and it has a total cash and bank balance of approximately RMB 450 million (2018: RMB 160 million). Going forward, the Group will use the cash generated from its operating activities, available banking facilities, and the net proceeds received from the Global Offering to further improve its financial structure and reduce finance costs. In addition, it has adopted sound financial strategies for future development.

Future Strategies: Inspiring Growth Together

The year 2020 represents the first year since the Group’s successful listing. In the face of great

1: Excluding the non-saleable GFA

challenges and development opportunities, the Group will continue to implement its mission of “Maintaining a Foothold in the Greater Bay Area”, and strive to further develop the market in Dongguan. The Group will primarily focus on developments in the Pearl River Delta and continue to expand into regions such as Central China and East China Region. Furthermore, the Group will “regard urban renewal projects as its central focus, and consider cultural and tourism health care towns and scientific and technology innovation industrial towns as complementary concerns”, so as to ensure its short-term and mid- to long-term land supply through urban renewal projects, mergers and acquisitions and land tenders.

Mr. Lun Rui Xiang, Chairman and Non-Executive Director of Huijing Holdings, said, “The outbreak of the novel coronavirus pandemic has affected the domestic property market requiring the Group to adjust its strategies accordingly so as to enhance the online pre-sales and selling service and revise the marketing plan in a timely manner. In this way it can thus provide customers with the most professional and customized services, while enhancing our ability to counter the adverse effects of the pandemic. At the same time, the successful listing marks the beginning of a new development stage, and solidifies a foundation for our long-term development both domestically and internationally. Looking ahead, despite the complicated and changing macro-environment, we still have confidence in fully seizing emerging development opportunities from adjustments in the market, expediting the development pace of urban renewal projects, as we further enlarge our share of urban renewal markets in Dongguan and the Greater Bay Area. We will do so by capitalizing on our steady business growth, extensive land bank, professional sales operation and highly efficient financial management. By adhering to our mission ‘inspiring growth together,’ the Group will strive to strengthen its overall competitiveness and generate promising returns for shareholders.”

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About Huijing Holdings Company Limited (Stock code: 9968)

Huijing Holdings Company Limited (“Huijing Holdings” or the “Group”) is an integrated residential and commercial property developer in the PRC with a foothold in the Greater Bay Area and gradually expanding its presence to Heyuan, the Yangtze River Delta Urban Cluster and the Yangtze Mid-Stream Urban Cluster. It focuses on urban renewal projects, covering residential, integrated and industry-specific property projects. As at 31 December 2019, the Group held or had agreed to acquire in all 18 property projects within five cities across three provinces. These projects have an aggregate site area of approximately 2.44 million sq.m. and a planned GFA after completion of approximately 5.08 million sq.m. According to valuation by JLL, as at 30 September 2019, the total valuation of Group I to Group IV properties, together with the reference market value for Group V properties and properties in connection with the Group’s urban renewal projects (calculated assuming their development will be in accordance with the proposed zoning changes under the “Three-Old Transformation Scheme”), total approximately RMB 43.3 billion.

Media Enquiry :

Strategic Financial Public Relation Limited

Heidi So	Tel: (852) 2864 4826	Email: heidi.so@sprg.com.hk
Angelus Lau	Tel: (852) 2864 4805	Email: angelus.lau@sprg.com.hk
Wilson Ngan	Tel: (852) 2114 4318	Email: wilson.ngan@sprg.com.hk
Website: http://www.sprg.com.hk		

Huijing Holdings Company Limited

Windy Chan	Tel: (852) 3985 5392	Email: windychan@huijingholdings.com
Website: http://www.huijingholdings.com		

1: Excluding the non-saleable GFA