

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

DISCLOSEABLE TRANSACTION COOPERATION AGREEMENT AND SUBSCRIPTION OF 25% EQUITY INTEREST IN TROPICA DEVELOPMENT

COOPERATION AGREEMENT

On 17 October 2017, Natural Apex, a wholly owned subsidiary of the Company, entered into the Cooperation Agreement with, among others, the other Investors to invest in the holding vehicles of Hangzhou YueRong, being Tropica Development and Guangzhou Yunjia, and in turn jointly develop the Land located in Yuhang District, Hangzhou, PRC. Pursuant to the terms of the Cooperation Agreement, (i) Tropica Development shall issue, and Natural Apex shall subscribe for 25% equity interest in Tropica Development at a subscription price of HK\$25 (equivalent to approximately RMB21); (ii) Natural Apex shall pay RMB84,259,013 to Brisian Limited for the prepayment made by Brisian Limited; (iii) Natural Apex shall contribute RMB84,259,013 to Hangzhou YueRong through Tropica Development for the remaining consideration of the Land; and (iv) Natural Apex shall contribute RMB3,606,976 to Hangzhou YueRong through Tropica Development as its registered capital. Accordingly, the total commitment and consideration payable by Natural Apex for the Cooperation is approximately RMB172,125,023.

As at the date of this announcement, Tropica Development and Guangzhou Yunjia respectively owns 51% and 49% equity interest in Hangzhou YueRong, which in turn wholly owns and develops the Land.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Cooperation is more than 5% but all of the applicable percentage ratios are less than 25%, the Cooperation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 17 October 2017, Natural Apex, a wholly owned subsidiary of the Company, entered into the Cooperation Agreement with, among others, the other Investors to invest in the holding vehicles of Hangzhou YueRong, being Tropica Development and Guangzhou Yunjia, and in turn jointly develop the Land located in Yuhang District, Hangzhou, PRC. Pursuant to the terms of the Cooperation Agreement, (i) Tropica Development shall issue, and Natural Apex shall subscribe for 25% equity interest in Tropica Development at a subscription price of HK\$25 (equivalent to approximately RMB21); (ii) Natural Apex shall pay RMB84,259,013 to Brisian Limited for the prepayment made by Brisian Limited; (iii) Natural Apex shall contribute RMB84,259,013 to Hangzhou YueRong through Tropica Development for the remaining consideration of the Land; and (iv) Natural Apex shall contribute RMB3,606,976 to Hangzhou YueRong through Tropica Development as its registered capital. Accordingly, the total commitment and consideration payable by Natural Apex for the Cooperation is approximately RMB172,125,023.

PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are summarized below.

- Date:** 17 October 2017
- Parties:**
- (1) Natural Apex, a wholly owned subsidiary of the Company
 - (2) Brisian Limited
 - (3) Hangzhou Jiayin
 - (4) Hangzhou Zhaoshang
 - (5) Ningbo Haishu
 - (6) Zhejiang Jinyan
 - (7) Hangzhou Shangkun
- (Parties (1) to (7), collectively, the Investors)
- (8) Guangzhou Zhengjia
 - (9) Tropica Development, the Target
 - (10) Guangzhou Yunjia

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Brisian Limited, Guangzhou Zhengjia, Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun and their ultimate beneficial owners are Independent Third Parties.

As at the date of this announcement, Hangzhou YueRong is owned as to 51% by Tropica Development and 49% by Guangzhou Yunjia. Tropica Development is wholly-owned by Brisian Limited and Guangzhou Yunjia is wholly-owned by Guangzhou Zhengjia as of the date of this announcement.

Subject matter:

In accordance with the terms and conditions of the Cooperation Agreement, the Investors shall invest in the holding vehicles of Hangzhou YueRong, being Tropica Development and Guangzhou Yunjia, and in turn jointly develop the Land.

As at the date of this announcement, Tropica Development has a total issued share capital of one ordinary share with par value of HK\$1.00, which is legally and beneficially owned by Brisian Limited. In accordance with the Cooperation Agreement, Tropica Development shall issue, and Natural Apex shall subscribe for, 25 newly issued shares at the par value of HK\$1.00 per share. Concurrently, Tropical Development shall issue, and Brisian Limited shall subscribe for, 74 newly issued shares at the par value of HK\$1.00 per share. Upon completion of the Subscription, Tropica Development will be held as to 25% and 75% by Natural Apex and Brisian Limited.

In accordance with the Cooperation Agreement, Guangzhou Zhengjia, Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun shall enter into a definitive sale and purchase agreement, pursuant to which Guangzhou Zhengjia shall transfer all of its equity interest in Guangzhou Yunjia to Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun in the proportion of 2%, 24.5%, 24.5%, 24.5% and 24.5%, respectively, at a total consideration equivalent to the paid-in registered capital of Guangzhou Yunjia.

Cost sharing and profit distributions:

In accordance with the Cooperation Agreement, any costs and expenses arising from, or incurred in connection with, the development of the Land shall be borne by each of Natural Apex, Brisian Limited, Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun in the proportion of 12.75%, 38.25%, 0.98%, 12.005%, 12.005%, 12.005% and 12.005% unless otherwise specified in the Cooperation Agreement (“**Cost Sharing Proportion**”).

The funds of Hangzhou YueRong available for distribution from the net profit generated from the commercial and residential project of the Land shall be divided between each of Natural Apex, Brisian Limited, Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun in the proportion of 12.75%, 38.25%, 0.98%, 12.005%, 12.005%, 12.005% and 12.005%.

Total commitment and consideration payable by Natural Apex:

The total commitment and consideration payable by Natural Apex for the Cooperation is approximately RMB172,125,023, comprising of:

- (i) the subscription price of HK\$25 (equivalent to approximately RMB21) for the Subscription of 25% interest in Tropica Development;
- (ii) the payment of RMB84,259,013 to Brisian Limited, representing 12.75% of the prepayment of RMB660,855,000 made by Brisian Limited to the Hangzhou Land Bureau as 50% consideration of the Land. Each of the other Investors shall also pay Brisian Limited such amount representing the respective Cost Sharing Proportion of the prepayment;
- (iii) the contribution of RMB84,259,013 to Hangzhou YueRong through Tropica Development, representing 12.75% of the remaining consideration of the Land of RMB660,855,000; and
- (iv) the contribution of approximately RMB3,606,976 to Hangzhou YueRong through Tropica Development, representing 12.75% of the registered capital of Hangzhou YueRong of RMB1,350,000,000 (being RMB172,125,000), netting off such amounts stated in item (ii) and (iii).

The total commitment and consideration payable by Natural Apex for the Cooperation is subject to adjustment as Natural Apex is obliged to pay Brisian Limited all interests accrued in respect of the sum of RMB84,259,013, calculated at a rate of 8% per annum from such date(s) of prepayment made by Brisian Limited until the date of payment by Natural Apex to Brisian Limited. The Company does not envisage such adjustment would increase any of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Cooperation to 25% or above.

The total commitment and consideration for the Cooperation was arrived at after arm's length negotiation between the parties, and was determined by reference to by reference to the cost and the net book value of the Land, the prepayment by Brisian Limited for the cost of the Land, and the recent market value of comparable residential development in the Hangzhou.

The consideration will be funded by using the Group's available internal resources.

- Payment terms:** The total commitment and consideration of RMB172,125,023 shall be payable by Natural Apex in cash as follows:
- (i) by 30 December 2017, the definitive documents for the Subscription shall be entered into and the Subscription shall be completed;
 - (ii) within five business days of the Cooperation Agreement, the sum of RMB84,259,013 (plus all interest accrued thereon) shall be paid into the bank account designated by Brisian Limited;
 - (iii) the sum of RMB84,259,013 shall be paid into the bank account designated by Brisian Limited (which will then inject the aggregate sums for the remaining consideration of the Land to Hangzhou YueRong through Tropica Development and Guangzhou Yunjia as a designee of Tropica Development) five business days prior to the designated payment date as determined by the Board of Hangzhou YueRong, the designated payment date being no later than 28 June 2018; and
 - (iv) by 30 December 2017, the sum of approximately RMB3,606,976 shall be paid to Tropica Development (which will then inject the sum to Hangzhou YueRong).

Board of directors and management

Pursuant to the terms of the Cooperation Agreement, the board of directors of Tropica Development shall comprise of three directors, two of whom shall be nominated by Brisian Limited and one by Natural Apex.

The board of directors of Hangzhou YueRong shall comprise of eleven directors, five of whom shall be nominated by Brisian Limited through Tropica Development, one of which shall be nominated by Natural Apex through Tropica Development, and each of Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun shall nominate one director through Guangzhou Yunjia.

The chairman of the board of directors of Hangzhou YueRong shall be appointed by Brisian Limited through Tropica Development. As set out in the Cooperation Agreement, the daily management of Hangzhou YueRong shall be delegated to the general manager, whom shall be appointed by Brisian Limited through Tropica Development.

Veto or protective rights

Pursuant to the Cooperation Agreement, certain matters would require the unanimous approval of the board of Hangzhou YueRong, namely, (i) changes of the registered capital, (ii) debt capital raising, (iii) amendments to the constitutional documents and (iv) merger, division, dissolution, liquidation, suspension, restructuring or alternation of company form.

INFORMATION ON THE PARTIES TO THE COOPERATION AGREEMENT

The Company is incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is one of the leading property developers in the Yantze River Delta region, the PRC. Natural Apex is a holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

Brisian Limited, a company established in the British Virgin Islands which is an investment holding company and is ultimately owned by Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123). Yuexiu Property Company Limited and its subsidiaries are principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

Guangzhou Zhengjia, a limited liability company established under the laws of the PRC and is primarily engaged in technology information consulting services in Guangzhou, the PRC, and is ultimately owned as to 90% by Lai Jiajun (賴嘉俊) and 10% by Liang Zheng (梁正).

Hangzhou Jiayin, a limited liability company established under the laws of the PRC and is primarily engaged in property development, property management and leasing in Hangzhou, the PRC. Hangzhou Jiayin is ultimately owned by Guangzhou Yuexiu Property Development Co., Ltd. (廣州市越秀房地產開發有限公司).

Hangzhou Zhaoshang, a limited liability company established under the laws of the PRC and is primarily engaged in property development and property management in Hangzhou, the PRC. Hangzhou Zhaoshang is ultimately owned by China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司), a limited liability company established under the laws of the PRC and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 001979). China Merchants Shekou Industrial Zone Holdings Co., Ltd. and its subsidiaries are principally engaged in the development and operation of industrial parks, residential and commercial real estate and cruise business.

Ningbo Haishu, a limited liability company established under the laws of the PRC and is primarily engaged in business management and information consulting, corporate marketing strategic planning and real estate intermediary services in Ningbo, the PRC, and is ultimately owned as to 95% by Ye Facai (葉發財) and 5% by Zhou Huijuan (周慧娟).

Zhejiang Jinyan, a limited liability company established under the laws of the PRC and is primarily engaged in technology information consulting services in Guangzhou, the PRC. Zhejiang Jinyan is ultimately owned by Dexin Property Group Co., Ltd. (德信地產集團有限公司), a limited liability company established under the laws of the PRC and is principally engaged in property development in the Yangtze River Delta.

Hangzhou Shangkun, a limited liability company established under the laws of the PRC and is primarily engaged in technology information consulting services in Guangzhou, the PRC. Hangzhou Shangkun is ultimately owned by Shanghai Shangkun Investment Co., Ltd. (上海上坤實業投資有限公司), a limited liability company established under the laws of the PRC and is principally engaged in investments in commercial and residential property investments.

The Target

Tropica Development is a company incorporated in Hong Kong with limited liability and is engaged in the development of the Land. As at the date of this announcement, Tropica Development is wholly-owned by Brisian Limited.

The unaudited net assets value of Tropica Development as at 31 July 2017 was approximately (RMB123,653.9). The unaudited financial results of Tropica Development for the two years immediately preceding the date of the Cooperation Agreement were as follows:

	For the years ended 31 December	
	2015	2016
	<i>in RMB</i>	<i>in RMB</i>
	(unaudited)	
Loss before tax	12,234	10,729
Loss after tax	12,234	10,729

The Project Company

Hangzhou YueRong was established by Tropica Development and Guangzhou Yunjia in August 2017 for holding the Land. As of the date of this announcement, Hangzhou YueRong is owned as to 51% and 49% by Tropica Development and Guangzhou Yunjia, respectively.

Since it was only established in August 2017, Hangzhou YueRong has not carried out any business activities. Accordingly, it has no recorded profit or loss before or after tax for the period commencing from its incorporation to the date of this announcement.

INFORMATION ON THE LAND

The land number 2017-8 (余政儲出【2017】8號地塊) located at the southeast corner of Xingguo Road and Yinghe Road (興國路與映荷路東南角) of the Economic and Technological Development Zone of Yuhang District (余杭經濟技術開發區), Hangzhou, PRC, comprising the zone portions east of Xingzhong Road (興中路), south of Xingchen Road (星辰路), West of Xingguo Road (興國路) and north of Yinghe Road (映荷路), with a total site area of 77,631 square meters and a total construction area of not more than 155,262 square meters. The Land shall be used for the development of commercial and residential properties. The Land was jointly acquired by Tropica Development and Guangzhou Yunjia from Hangzhou Land Bureau through public auction at a total consideration of RMB1,321,710,000. The original Land Use Rights Grant Contract (國有建設用地使用權出讓合同) was entered into in June 2017 and the supplemental Land Use Rights Grant Contract was entered into in September 2017 to transfer all rights and obligations borne by Tropica Development and Guangzhou Yunjia under the original Land Use Rights Grant Contract to Hangzhou YueRong. The term of the land use right of the Land is 70 years with respect to its residential units and 40 years with respect to its commercial units. As at the date of this announcement, RMB660,855,000 of the total consideration to the Hangzhou Land Bureau has been paid by Brisian Limited through Tropica Development.

The Land is intended to be developed as a commercial and residential project. Construction is expected to be commenced by 4 July 2019 and completed by 4 July 2022. The net book value of the Land as at the date of this announcement is RMB1,321,710,000.

REASONS FOR THE COOPERATION

The Group is principally engaged in the property development business in the Yangtze River Delta region.

Having regard to recent market activities in the property market within the Yangtze River Delta region and the market value of comparable commercial and residential development in the Yangtze River Delta region, the Group anticipates that the value of the properties within the region will continue to rise in the future. Based on the foregoing, the Group believes that the Cooperation will benefit the Group by providing a good opportunity for the Group to further strengthen its income stream through the potential appreciation in value of the Land as well as further strengthening its presence in Hangzhou, PRC. The Cooperation is also in-line with the Group's development strategy of intensively penetrating into the Yangtze River Delta region, with special focus on first-tier and second-tier core cities in this region.

The Directors consider the Cooperation to be within the ordinary and usual course of business of the Group, and that the Cooperation and the transactions contemplated under Cooperation Agreement have been made on normal commercial terms and were arrived at after arm's length negotiation. The Directors believe that the terms of the Cooperation Agreement, including the consideration for the Cooperation, are fair and reasonable and that the Cooperation is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Cooperation is more than 5% but all of the applicable percentage ratios are less than 25%, the Cooperation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Brisian Limited”	Brisian Limited (英達有限公司), a company incorporated under the laws of the British Virgin Islands
“Board”	the board of Directors
“China” or “PRC”	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan area

“Company”	Jingrui Holdings Limited (景瑞控股有限公司*), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Cooperation”	the cooperation among the Investors to invest in the holding vehicles of Hangzhou YueRong, being Tropica Development and Guangzhou Yunjia, and in turn jointly develop the Land pursuant to the terms and conditions of the Cooperation Agreement
“Cooperation Agreement”	the cooperation agreement dated 27 September 2017 entered into among the Investors, Guangzhou Zhengjia, Tropica Development and Guangzhou Yunjia pursuant to which (i) Tropica Development shall issue, and Natural Apex shall subscribe for 25% equity interest in Tropica Development at a subscription price of HK\$25 (equivalent to approximately RMB21); (ii) Natural Apex shall pay RMB84,259,013 to Brisian Limited for the prepayment made by Brisian Limited; (iii) Natural Apex shall contribute RMB84,259,013 to Hangzhou YueRong through Tropica Development for the remaining consideration of the Land; and (iv) Natural Apex shall contribute RMB3,606,976 to Hangzhou YueRong through Tropica Development as its registered capital
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Yunjia”	Guangzhou Yunjia Property Development Co., Ltd. (廣州雲佳房地產開發有限公司), a limited liability company established under the laws of the PRC
“Guangzhou Zhengjia”	Guangzhou Zhengjia Economic Information Consulting Co., Ltd. (廣州正嘉經濟信息諮詢有限公司), a limited liability company established under the laws of the PRC
“Hangzhou Jiayin”	Hangzhou Jiayin Property Development Co., Ltd. (杭州甲寅房地產開發有限公司), a limited liability company established under the laws of the PRC
“Hangzhou Land Bureau”	Yuhang Branch of Hangzhou Land Resources and Planning Bureau (杭州市國土局余杭分局), a PRC government bureau
“Hangzhou Shangkun”	Hangzhou Shangkun Property Co., Ltd. (杭州上坤置業有限公司), a limited liability company established under the laws of the PRC
“Hangzhou YueRong” or “Project Company”	Hangzhou YueRong Real Estate Development Co., Ltd. (杭州越榮房地產開發有限公司), a limited liability company established under the laws of the PRC and is held as to 51% by Tropica Development and 49% by Guangzhou Yunjia as at the date of this announcement and which in turn wholly owns the Land

“Hangzhou Zhaoshang”	China Merchants Group Property (Hangzhou) Co., Ltd. (招商局地產(杭州)有限公司), a limited liability company established under the laws of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of the Company and its connected persons
“Investors”	collectively, Brisian Limited, Natural Apex, Hangzhou Jiayin, Hangzhou Zhaoshang, Ningbo Haishu, Zhejiang Jinyan and Hangzhou Shangkun
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Land”	the land number 2017-8 (余政儲出【2017】8號地塊) located at the southeast corner of Xingguo Road and Yinghe Road (興國路與映荷路東南角) of the Economic and Technological Development Zone of Yuhang District (余杭經濟技術開發區), Hangzhou, PRC, comprising the zone portions east of Xingzhong Road (興中路), south of Xingchen Road (星辰路), west of Xingguo Road (興國路) and north of Yinghe Road (映荷路), with a total site area of 77,631 square meters and a total construction area of not more than 155,262 square meters to be used for the development of commercial and residential properties
“Natural Apex” or “Purchaser”	Natural Apex Limited, a company incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Company
“Ningbo Haishu”	Ningbo Haishu Kangxin Enterprise Management Consulting Co., Ltd. (寧波海曙康欣企業管理諮詢有限公司), a limited liability company established under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	(i) the issue by Tropica Development, and the subscription by Natural Apex, of 25 newly issued shares of HK\$1.00 each in Tropica Development at par value; and (ii) the issue by Tropica Development, and the subscription by Brisian Limited, of 74 newly issued shares of HK\$1.00 each in Tropica Development at par value, upon completion of which Tropica Development will be held as to 25% and 75% by Natural Apex and Brisian Limited, respectively

“Tropica Development” or “Target”	Tropica Development Limited (金 秋 發 展 有 限 公 司), a company incorporated under the laws of Hong Kong and is wholly-owned by Brisian Limited as at the date of this announcement and which in turn owns 51% in Hangzhou YueRong
“Zhejiang Jinyan”	Zhejiang Jinyan Investment Management Co., Ltd. (浙江錦焱投資管理有限公司), a limited liability company established under the laws of the PRC
“%”	per cent.

For the purpose of this announcement, the exchange rates of RMB1.00 to HK\$1.1852 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and do not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rates.

The Chinese name of the entities incorporated in the PRC is the official name and the English name is the translation for identification purpose only.

By Order of the Board
Jingrui Holdings Limited
Yan Hao Chen Xin Ge
Co-chairmen

Hong Kong, 17 October 2017

As at the date of this announcement, the Board of Directors of the Company comprises Yan Hao, Chen Xin Ge, Yang Tie Jun and Xu Chao Hui, as executive Directors; Han Jiong, Qian Shi Zheng and Lo Wing Yan William, as independent non-executive Directors.

* *For identification purpose only*