



August | Newsletter

Stock Code

3301.HK

Listing Date

13 Jan, 2016

Offering Price

HKD 5.36

Share Price (3 September, 2018)

HKD 9.16

Market Cap (3 September, 2018)

HKD 14.64 billion

NO. of Issued Shares (31 August, 2018)

~1,598.5 mn shares

Contracted Sales Updates

In August 2018, the total contracted sales of the Group (including Ronshine China Holdings Limited, together with its subsidiaries, associates and joint ventures) amounted to approximately RMB9,249,794,836*; the contracted gross floor area of the Group amounted to approximately 393,278sq.m.*; and the average contracted selling price of the Group amounted to approximately RMB23,520 / sq.m.*

For the eight months ended 31 August 2018, the aggregate contracted sales of the Group amounted to approximately RMB74,850,124,945* while the aggregate contracted gross floor area amounted to approximately 3,402,278 sq.m.*, and the average contracted selling price of the Group amounted to approximately RMB22,000 / sq.m.*

*All the figures are unaudited

News Updates

- After gaining the highest "AAA" corporate credit rating in June, Moody's and S&P in August also revised their ratings outlook on the Group to "Stable", endorsing the Group for its continued strong growth, good liquidity and remarkable results in deleveraging.
- On 31 August 2018, the Group issued US\$150 million Senior Notes due 2021 at a rate of 8.25%. The market has responded positively to the issuance. Haitong International, CEB International, BOCOM International, and Morgan Fuel Go Securities Limited are the joint lead managers and joint bookrunners of the notes issued. The proceeds will be used to refinance the Group's existing debt.
- On 23 August 2018, Citi released a research report on the Group, stating that the Group had explosive earnings growth in 1H18 and is a worthy buy considering its low valuation. The report says the Group's strong sales performance and ample saleable resources can support it in making the annual contract sales target of RMB130 billion. The firm believes the Group's refinancing risk is under control, hence it maintains "BUY" rating for the Group with a target price of HK\$19.80.
- On 23 August 2018, Haitong International released a research report on the Group, stating that the Group has sufficient land reserve to support its sales for the next few years, thus the firm believes the Group is undervalued. The firm maintains "BUY" rating for the Group with a target price of HK\$17.15.
- On 24 August 2018, DBS released a research report on the Group, stating that the Group recorded strong interim earnings growth with margin returning to a decent level, and that its prudent approach in acquiring land has contributed to its ability to deleverage gradually. These plus the Group's plan to pay dividends for 2018 at a higher-than-sector average payout ratio makes it an attractive buy at its current valuation.
- On 27 August 2018, ICBC International pointed out in its research report on the Group that the profitability of the Group has improved. It is holding sufficient saleable resources and is also in a better financial position, hence, the Group's current valuation is lower than the sector average.



The Genesis (Hangzhou)



Lan Sky (Hangzhou)



Nanshan Mansion (Fenghua)

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