

**Stock Code : 3301.HK**

## Contracted Sales Updates

In June 2020, the total contracted sales of the Group (Ronshine China Holdings Limited, together with its subsidiaries, associates and joint ventures) amounted to approximately RMB19,628,864,075\*; the contracted gross floor area of the Group amounted to approximately 649,638 sq.m.\*; and the average contracted selling price of the Group amounted to approximately RMB30,215 per sq.m.\*

For the six months ended 30 June 2020, the aggregate contracted sales of the Group amounted to approximately RMB60,357,834,798\*, while the aggregate contracted gross floor area amounted to approximately 2,573,153 sq.m.\*, and the average contracted selling price of the Group amounted to approximately RMB23,457 per sq.m.\*

\*The above-mentioned operating statistics are unaudited

## News Updates

### New Lands Parcels in June

- Hangzhou, Zhejiang: Two new land parcels, with a capacity building area of approximately 161,000 sq.m., was acquired. The land premium amounted to approximately RMB3.16 billion, of which the attributable land premium was approximately RMB1.75 billion.
- Fuzhou, Fujian: Two new land parcels, with a capacity building area of approximately 417,000 sq.m., were acquired. The total land premium amounted to approximately RMB5.02 billion, with the attributable land premium at approximately RMB4.42 billion.
- Qingdao, Shandong: One new land parcel, with a capacity building area of approximately 205,000 sq.m., were acquired. The total land premium amounted to approximately RMB730 million, with the attributable land premium at approximately RMB110 million.
- Neijiang, Sichuan: One new land parcel, with a capacity building area of approximately 118,000 sq.m., were acquired. The total land premium amounted to approximately RMB230 million, with the attributable land premium at approximately RMB110 million.

\*The above-mentioned operating statistics are unaudited

- On 10 June, the Group issued USD250 million of 7.35% senior notes due 2023. On 24 June, the Group issued additional USD160 million of such notes. This second tranche has been combined with the senior notes due 2023 issued on 10 June into one series. The proceeds from the series offering are estimated to be USD163 million, which will be used for refinancing the existing debts. The Group, through several moves, has promoted the existing secondary market of notes and actively optimized its debt structure, laying a solid foundation to achieve its strategic goal of high quality development.
- On 23 June, the “2020 Research Report of East and Central China Real Estate Developers” was published, in which the Group was again selected within the “2020 Best 10 of China Real Estate Developers (Shanghai)” based on its outstanding overall capabilities, visionary business layout and excellent regional development, climbing three positions from last year to 7th.
- In June, within the “2019 Top 30 Valuation of Land Bank of Property Developers in the Yangtze River Delta” published by CRIC, the Group ranked among the Top 20 possessing clear advantages.

## Stock Performance (7 July 2020)

**Closing Price : HKD7.64****Market Cap : HKD13.04 billion**

# Research Reports

- On 1 June, Guotai Junan ranked the Group a "buy" rating and a price target of HKD11.70. Guotai Junan said, the Company's net gearing ratio decreased to a healthy level, and the 2020 contracted sales target is practical and achievable. Also, the continued share buybacks of the Company reflected confidence in future development. Even that the gross margin is under downward pressure, the Company's fundamentals are still solid and the Company's current valuation is below par compared to its peers. Overall, Guotai Junan believes the balance sheet of Ronshine has been strengthened with attractive valuation.
- On 19 June, Haitong International said Ronshine is aggressive on land buying. The Group acquired 15 new plots of land in the first five months of this year with a total consideration of RMB20 billion, equivalent to about 50% of its sales collections during the period. They pointed out, Ronshine plans to use 30-50% of its contract sales collections for buying land for the full year. They saw this proportion as relatively high among its peers. Given that the Group is actively buying land, it expects net gearing ratio to rise to the 70-90% level this year. Haitong International believes that the Group should focus on improving profit margins given that its gearing is back to a healthy level now. Ronshine's profit margins will be improving over FY21-22.

## Research Reports Overview

	Rating	Target Price		Rating	Target Price
Citi	Buy	HKD13.80	JP Morgan	Overweight	HKD10.00
Jefferies	Buy	HKD10.88	Haitong International	Buy	HKD16.84
CCBI	Outperform	HKD12.00	Essence International	Buy	HKD15.00
Zhongtai International	Buy	HKD12.00	Southwest Securities	Buy	HKD11.95
Central Wealth Securities	Overweight	HKD11.60	Guotai Junan	Buy	HKD11.70
UOB KayHian	Buy	HKD12.15	Haitong Securities	Outperform	HKD10.35-12.94



Seattle Lifestyle (Nanjing)



The Chill Land (Hangzhou)



Wave Era (Xiamen)



## IR Contacts

Mr. Fred Tao  
General Manager,  
Capital Markets & Investor Relations  
+852 2115 9680  
taoxj@rxgcn.com

Ms. Angel Hou  
Senior Director of Capital Centre  
+852 2115 9680  
ir@rxgcn.com

Mr. Tyler Chan  
Investor Relations Manager  
+852 2115 9680  
chenwh@rxgcn.com