

Contracted Sales Updates

In July 2020, the total contracted sales of the Group (Ronshine China Holdings Limited, together with its subsidiaries, associates and joint ventures) amounted to approximately RMB12,143,828,355*; the contracted gross floor area of the Group amounted to approximately 606,328 sq.m.*; and the average contracted selling price of the Group amounted to approximately RMB20,028 per sq.m.*

For the seven months ended 31 July 2020, the aggregate contracted sales of the Group amounted to approximately RMB72,501,663,153 *, while the aggregate contracted gross floor area amounted to approximately 3,179,482 sq.m.*, and the average contracted selling price of the Group amounted to approximately RMB22,803 per sq.m.*

*The above-mentioned operating statistics are unaudited

News Updates

New Lands Parcels in July

- Hangzhou, Zhejiang: 1 new land parcel, with a capacity building area of approximately 69,000 sq.m., was acquired. The land premium amounted to approximately RMB1.56 billion, of which the attributable land premium was approximately RMB350 million.
- Shaoxing, Zhejiang: 1 new land parcel, with a capacity building area of approximately 313,000 sq.m., were acquired. The total land premium amounted to approximately RMB3.84 billion, with the attributable land premium at approximately RMB1.00 billion.
- Nanjing, Jiangsu: 1 new land parcel, with a capacity building area of approximately 45,000 sq.m., were acquired. The total land premium amounted to approximately RMB780 million, with the attributable land premium at approximately RMB780 million.
- Baoding, Hebei: 1 new land parcel, with a capacity building area of approximately 85,000 sq.m., were acquired. The total land premium amounted to approximately RMB340 million, with the attributable land premium at approximately RMB170 million.

*The above-mentioned operating statistics are unaudited

- On 21 July, Rongxin (Fujian) Investment Group Co., Ltd., the Group's subsidiary, launched the public issue of the first tranche of 2020 inbound corporate bonds with a face value of not more than RMB1.65 billion. The corporate bonds were offered on two terms, namely four years and five years. The Group has accurately captured the timing of the capital market and actively optimised its debt structure in order to provide a solid foundation to achieve its strategic goal of high-quality business development.

Stock Performance (4 August 2020)

Closing Price : HKD 6.910

Market Cap : HKD 11.76 billion

Research Reports

- On July 3, CRIC Securities said the Group has continued to see improvements in its fundamentals, and the high-quality land bank is conducive to driving its growth at a new stage. As the broker noted, the Group's overseas bond issuance ratio is relatively high and its coupon rate is stable with a slightly higher risk premium. Also the Group's contracted sales have been growing steadily, and its land bank is in the central cities of major urban agglomerations across the country, with low land costs and promising profit margins. According to the broker, the Group's revenue has increased with rising profitability, financial risks have been stabilising and slightly declining, and the liability structure has also become more reasonable. Overall, the Group's credit safety margin is relatively high.
- On 8 July, Central Wealth Securities assigned the Group an "Overweight" rating with a target price of HKD11.60. As the broker noted, the Group could leverage its sufficient and high-quality land bank to boost its sales efforts upon the quick release of pent-up demand amidst recovery, thereby achieving substantial sales growth. Its June monthly sales has also increased by more than 90% year-on-year. Meanwhile, the Group has continued to further its business development in the prospectively promising regions such as the Yangtze River Delta and Haixi, maintaining the superior regional layout to continuously support the Group's sales and scaling of growth. In addition, active financing operations have optimised its debt structure, which could continue to drive down the Group's financing costs, conducive to its healthy growth.

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 |



Trevista (Suzhou)



Opusone (Chengdu)



Moon Yard (Wenzhou)



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