

2020 ANNUAL RESULTS PRESENTATION

SUSTAINABLE GROWTH THROUGH COMMITMENT TO EXCELLENCE



RONSHINE GROUP



Hangzhou • Gucui Yinxiu



1、Results Review



2、Business Operation



3、Financial Performance



4、Development Strategies



5、Appendix

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Results Review



Wenzhou • Haiyue Qingfeng

Increasing Contracted Sales

Contracted sales: RMB **155.2bn**
Up **10%** yoy

Sell-through rate of **71%**
75% from Yangtze River Delta

Cash collection rate: **80%**
ASP: RMB **21,401** per sqm

Consistently Delivering Profit

Revenue: RMB **48.3bn**
Faster delivery in 2H 2020, up **10%** yoy

Gross profit: RMB **5.3bn**
Gross margin **11%**

Net profit: RMB **3.5bn**
Net profit Margin **7%**

Optimized Debt Structure

Net gearing ratio: **83%**
Stays at the range of **70%-90%**

Assets-to-liabilities ratio¹: **69.9%**
Cash to short-term debt²: **108%**

Average financing cost: **6.55%**
Unutilized credit facilities: RMB **124.8bn**

Note 1: Assets-to-Liabilities ratio after excluding contract liabilities = (total liabilities - contract liabilities)/(total assets - contract liabilities)

Note 2: Cash to Short-term Debt = (cash-restricted cash) / short-term debt

Adequate Land Bank

Newly acquired landbank¹: **8.72mn** m²
0.93mn m² from renewal projects

Total land bank: **28.71mn** m²
Average land cost²: RMB **7,902**/m²

82%¹ from tier1&2 cities
67%³ from Yangtze River Delta

Enhanced Operations Efficiency

Shorten development cycle with high quality
Launch sale⁶: average **5.8 months**

Flat organizational structure
Digital Management enhance efficiency

SG&A expense keeps low among peers
Ranking **Top 3** in capita efficiency⁵

Increasing Market Recognition

Have been covered by **15** sell-sides
Well recognized
by onshore & offshore rating companies

“Best ESG” Award⁴
First extra low energy
consumption residential project

Included in
Hang Seng **Large-Mid** Cap Value Tilt Index
Hang Seng **Large-Mid** Cap(Investable)Index

Note1. based on gross floor area Note2.average land cost = land cost /capacity area Note3. base on attributable land cost

Note4. from Leju Note5. from Golden HK Stocks Note6. for projects acquired and sold in year 2020

Regional and Product Positioning Makes a Difference

National layout with emphasis on the Yangtze River Delta and West Coast of Straits, and persistence on product quality, brings competitive **strength to the sales** and enhances the **safety of assets**:

- ✓ Thanks to the strong economy of located cities and competitiveness of product, Ronshine has excellent ability to **resist risk events in sales**.
- ✓ With new launch of projects, Ronshine achieved sales of RMB **12.3bn** and RMB **11.9bn** in January and February, up **67%** and **292%** yoy.

Wenzhou•Haiyue Qingfeng



The **only** Chinese style courtyard in Leqing City

Ranking **Top 1**¹ in the selling market of the city

Suzhou•Haiyue Pingjiang



Ronshine first project in main city of Suzhou

Ranking **Top 2** in the selling market of Gusu District

Hangzhou•Qin Lan



Lowest lottery rate in the district at **1.8%**

The whole project was sold out in **35 days**

Hangzhou•Rong Wang



Sold out in the **first day** of all six launches

Take advantage of **online new media** marketing

Nantong•Haina Pingjiang



Sold out within **3 hours** in the first launch

Ranking **Top 1** in the selling market of the City

Zhengzhou•City of Time



9 high-quality schools are planned nearby

Among the **top** selling projects in Zhengzhou high-tech district

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Business Operation



Shanghai • Haina Yinxiang

Sales Growing Steadily

2020

Saleable resource: RMB **218.6bn**

Sell-through rate: **71%**

Cash collection rate: **80%**



2020

National Sales¹

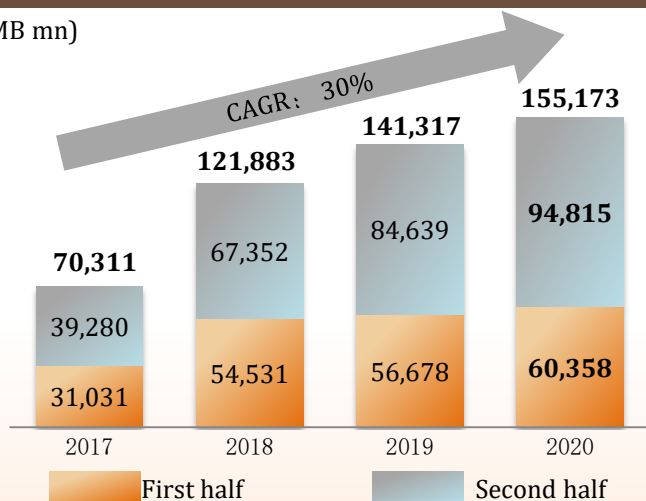


2020

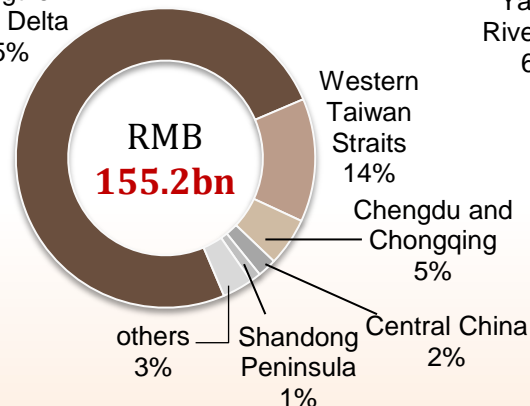
Hangzhou Sales²

2020 Contract Sales³

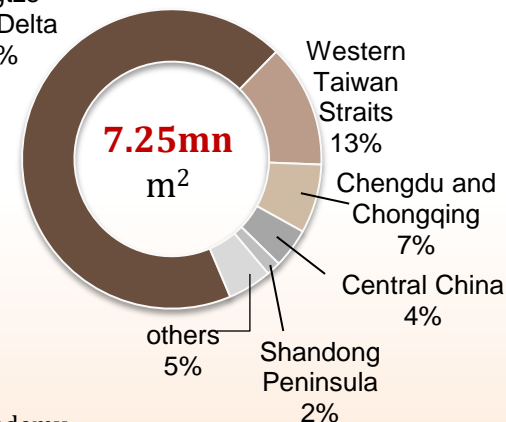
(RMB mn)



Yangtze River Delta
75%



Yangtze River Delta
69%



Note: 1. Source: 2020 Top 200 Developers by CRIC 2. Source: 2020 Top 10 Developers in Hangzhou by China Index Academy

3. Contracted sales include sales from JVs and associates

- Approx. **82%** of the land reserve is located in the prime locations in tier 1&2 cities in China, covering **52** cities and **247** projects
- The group pursues a higher city and product positioning, to win market recognition and keep strong selling ability

Total land bank

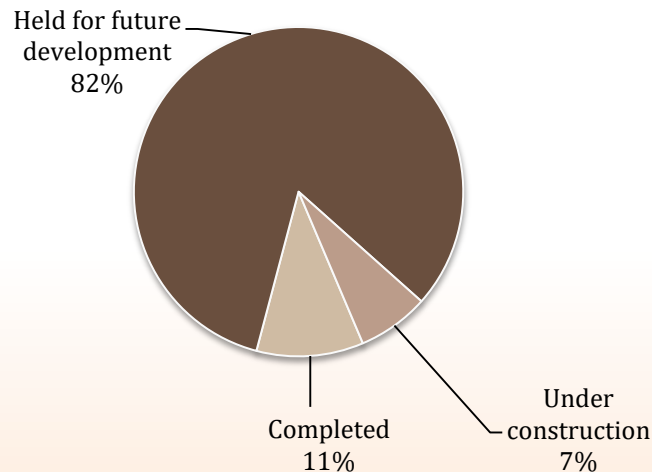
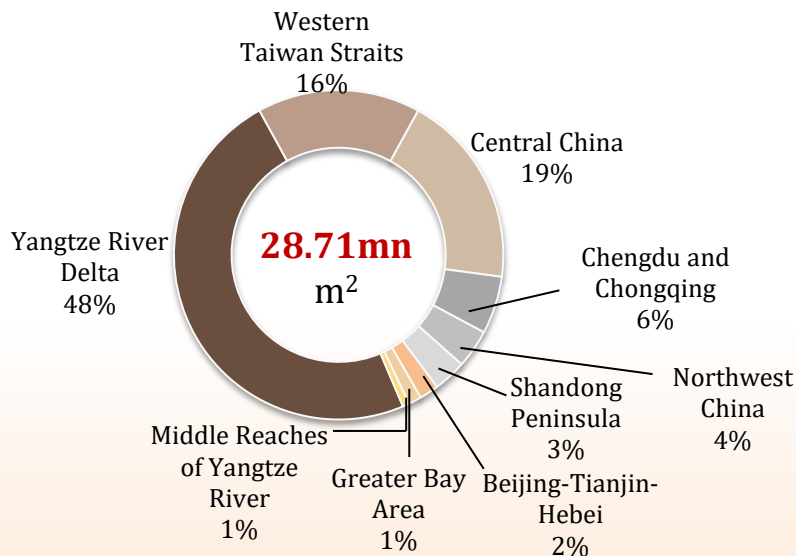
28.71mn m²

Attributable land bank

14.56mn m²

Average land cost¹

RMB 7,902/m²

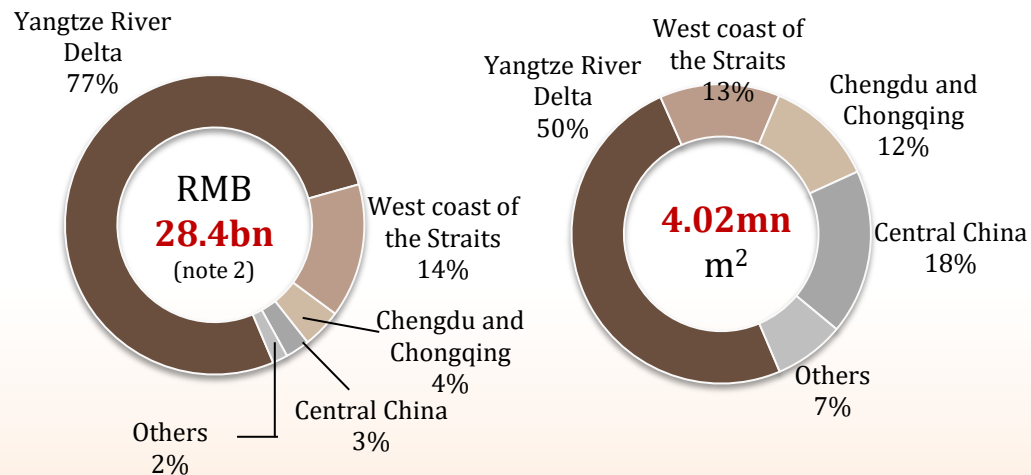


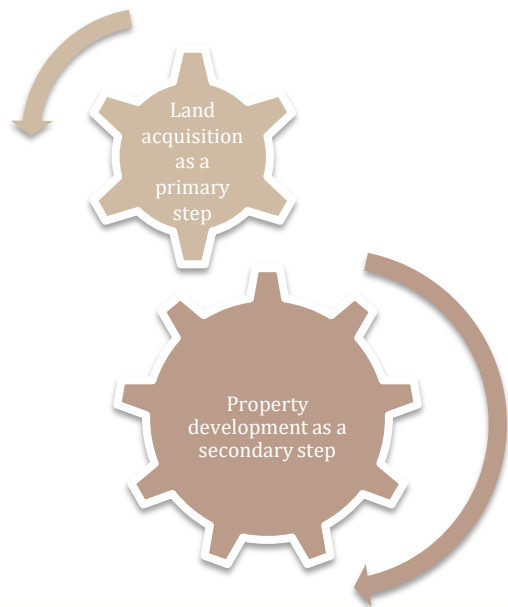
Land Acquisitions Offering More Growth Potential

50 land acquisitions were made in 2020, accounting for **RMB 62.3 bn** and **8.72mn m²**, whose average land cost is RMB **9,596/m²**(note 1)

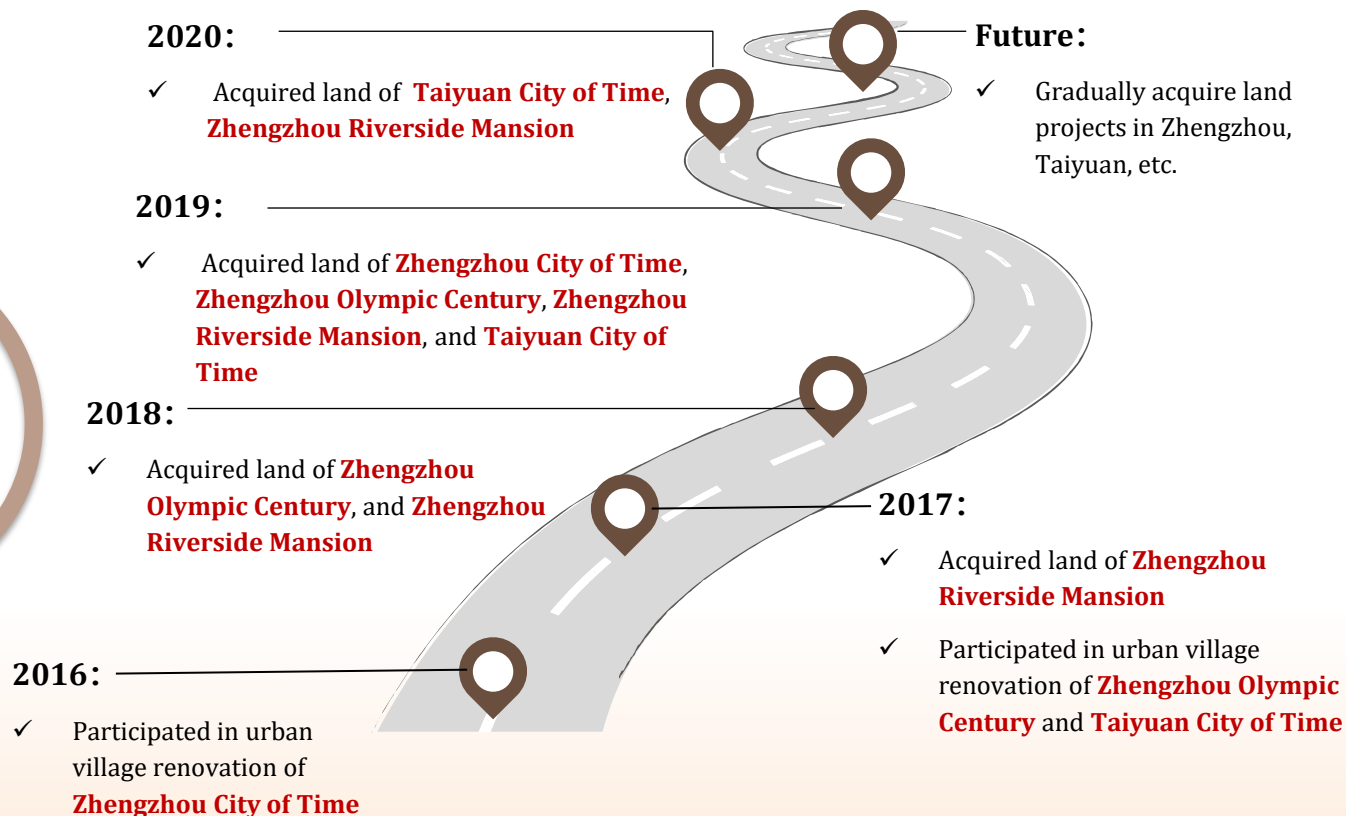
- **77%**(note 2) and **14%**(note 2) is from Yangtze River Delta and West Coast of Straits, which highly recognized by the company
- **88%**(note 2) is from tie1-tier2 cities, keeping deepening “1+N” layout
- Newly acquired renewal project, accounting for **0.93mn m²** and average cost is RMB **1,234/m²**(note 1)

Newly acquisition	Attributable ratio
50	46%(note 3)
Attributable land cost	Newly acquired attri. GFA
RMB 28.4bn	4.02mn m ²





Project Milestone



Primary and Secondary Land/Property Development Linkage

City	Project name	Expected total GFA	Year of initial acquisition	Acquisition GFA before	Future acquisition GFA
Zhengzhou	Olympic Century	Approx. 1.65	2018	0.81	Approx. 0.84
	Riverside Mansion	Approx. 2.70	2017	2.37	Approx. 0.33
	City of Time	Approx. 2.00	2019	0.57	Approx. 1.43
Taiyuan	City of Time	Approx. 3.41	2019	1.44	Approx. 1.97
Toal		Approx. 9.76		5.19	Approx. 4.57

(in million m²)

Zhengzhou
Olympic Century



Zhengzhou
Riverside Mansion



Zhengzhou
City of Time

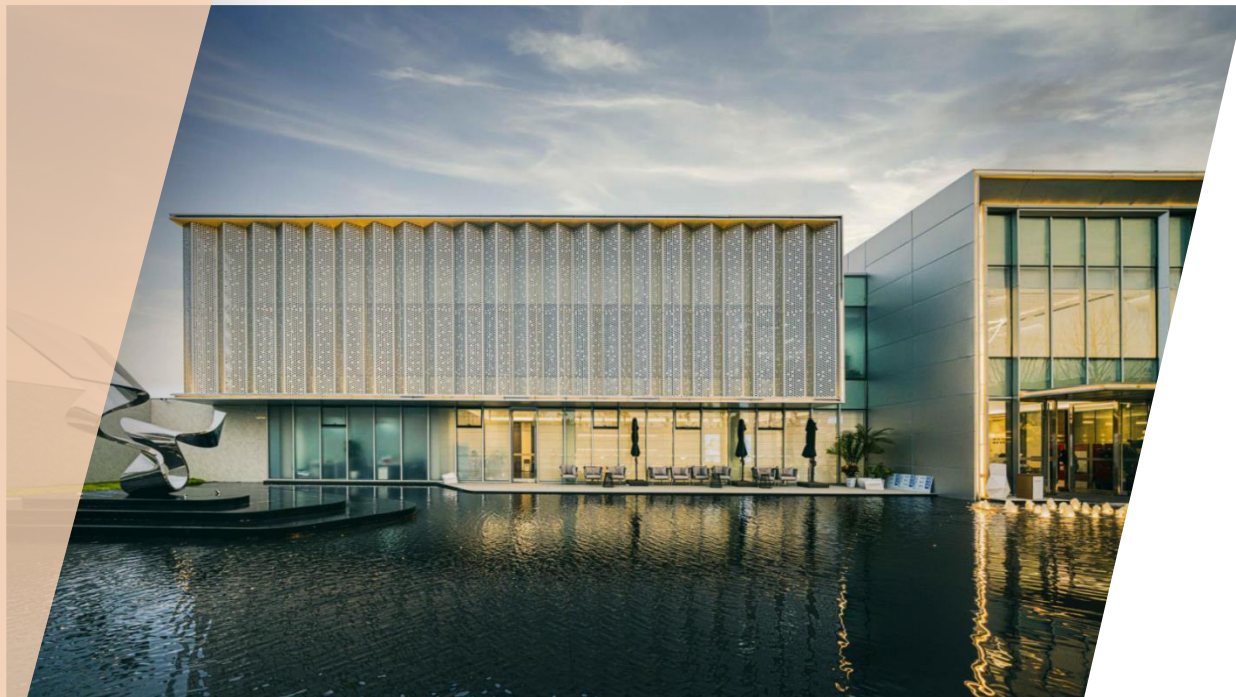


Taiyuan
City of Time



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Financial Performance

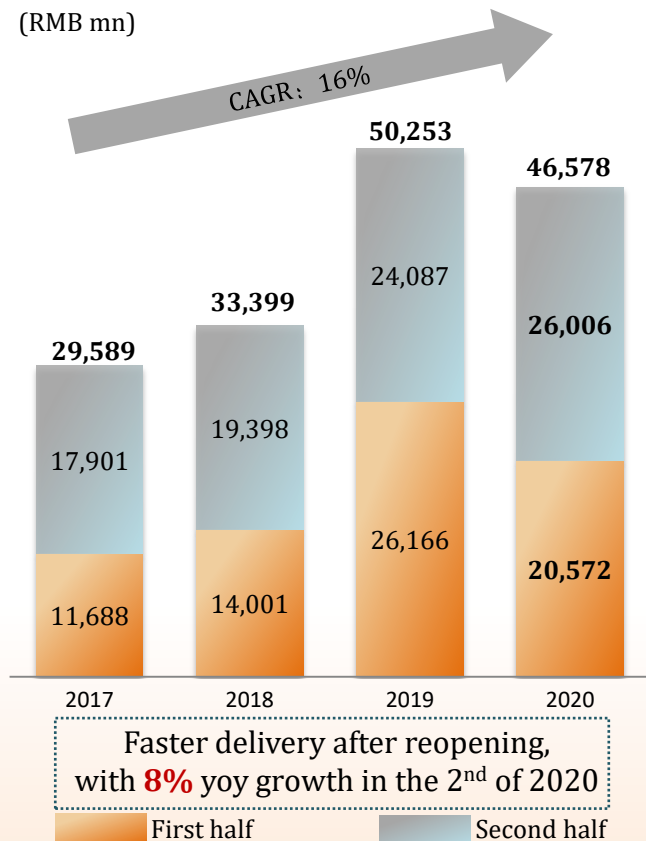


Wenzhou • Rong Wang

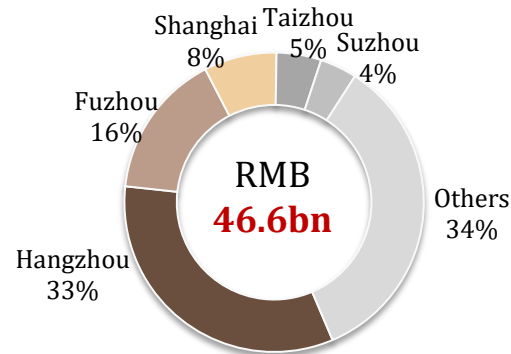
Stable delivery after reopening

Revenue from Sales

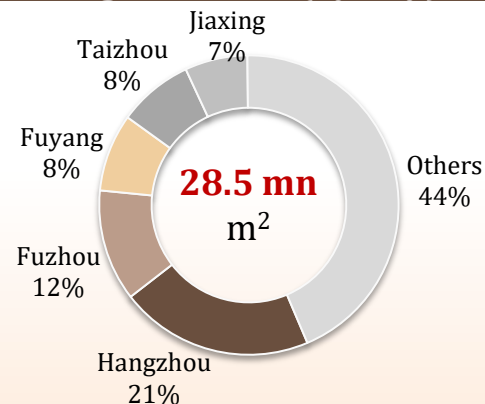
(RMB mn)



Revenue from Sales (by city)



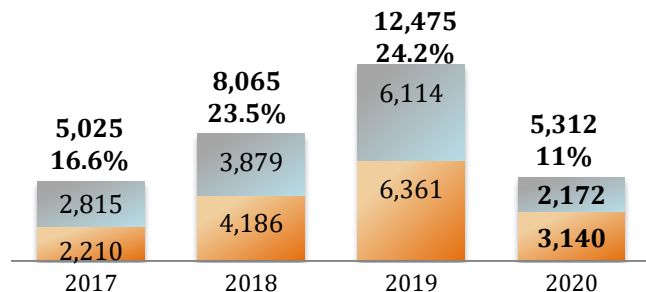
Recognized GFA (by city)



Continuously Delivering Profitability

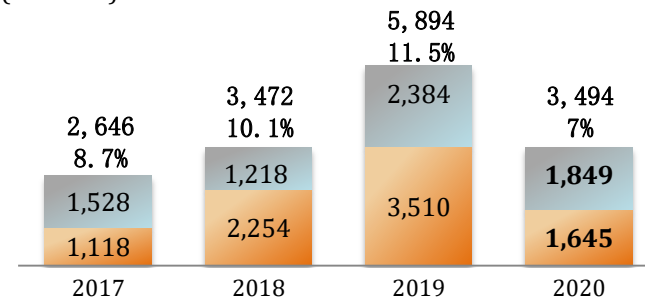
Gross profit and margin

(RMB mn)



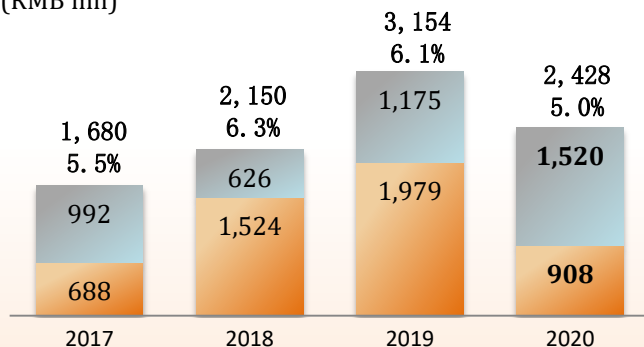
Profit for the year and margin

(RMB mn)



Profit attributable to owners and margin

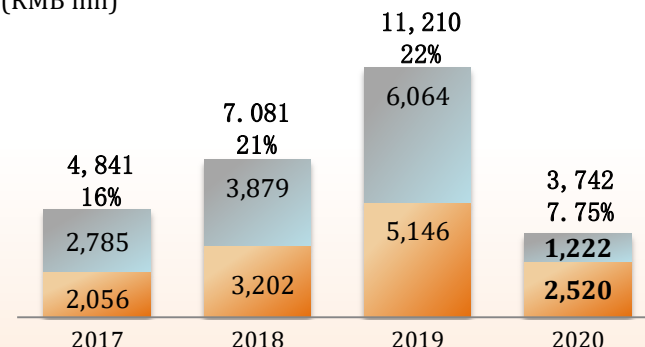
(RMB mn)



First half
Second half

EBITDA¹ and margin

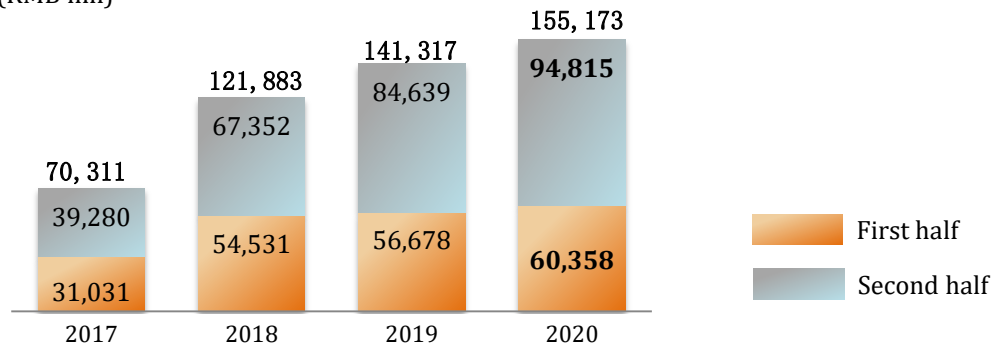
(RMB mn)



Sustainable Growth Capabilities

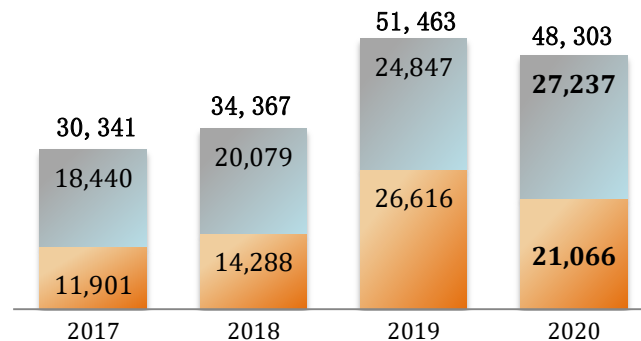
Contracted sales

(RMB mn)



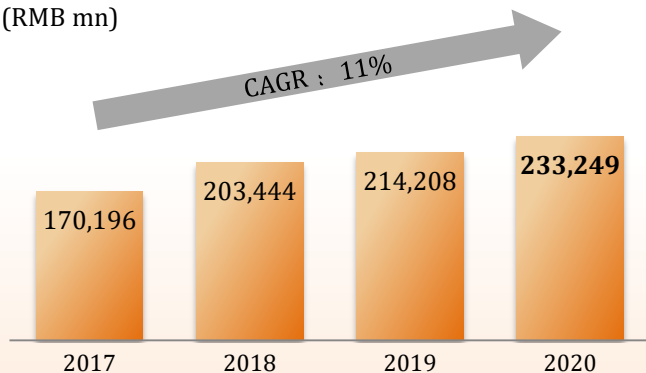
Revenue

(RMB mn)



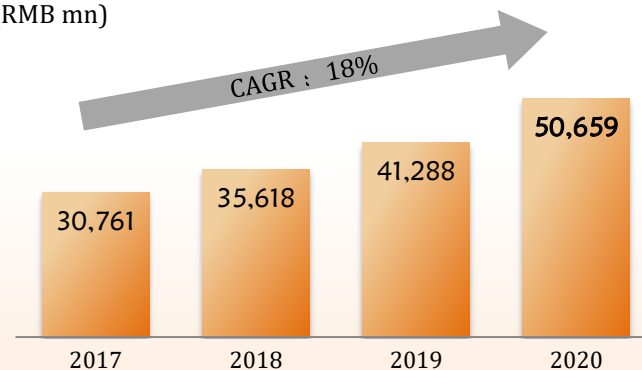
Total assets

(RMB mn)



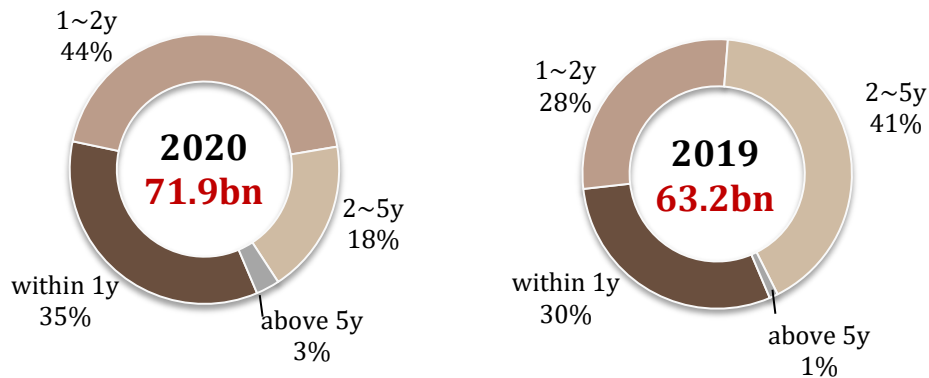
Total equity

(RMB mn)

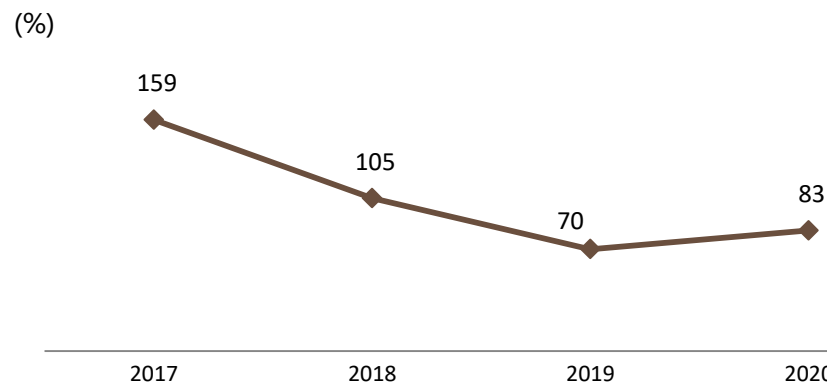


Optimizing Debt Structure

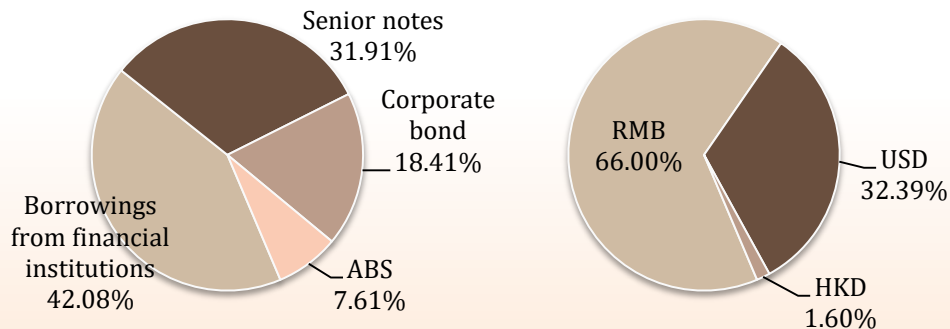
Debt maturity analysis



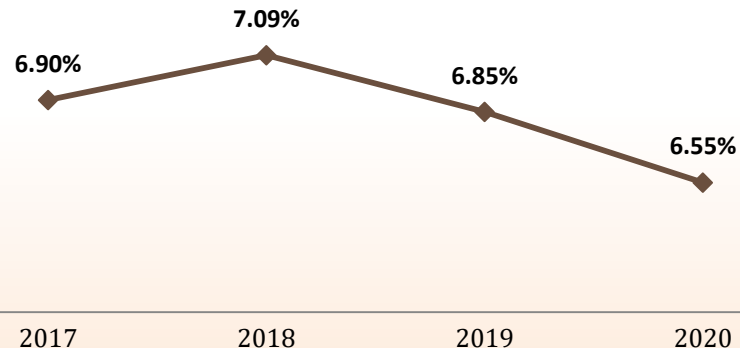
Net gearing ratio



Borrowing by type

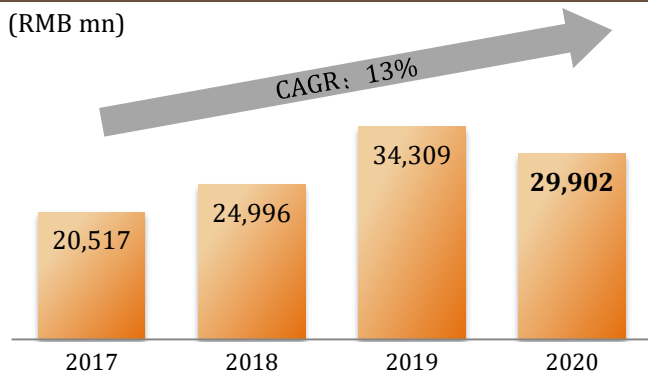


Finance cost



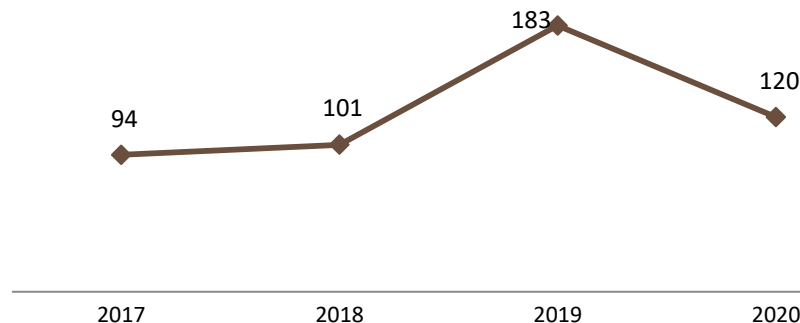
Cash and Bank¹

(RMB mn)



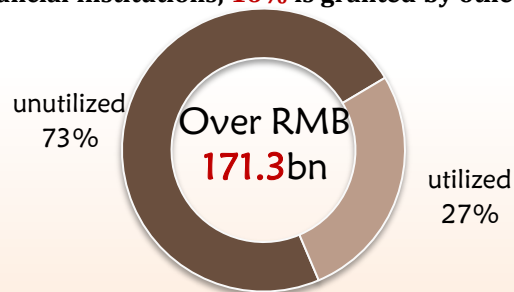
Cash to short-term debt²

(%)



Credit facilities

Total credit facilities approx. RMB**171.3bn** and unutilized credit facilities was RMB**124.8bn**, of which **84%** is granted by financial institutions, **16%** is granted by others.



Unutilized quota of bonds, ABS and senior notes

Type	As at the end of 2020	As at the end of March 2021
Corporate Bonds	RMB 13.46bn	RMB 12.46bn
ABS	RMB 1.457bn	RMB 1.457bn
Senior Notes	USD 0.695bn	USD 0.395bn

4

Development Strategies



Jinhua • Yunqi Jiangjing

Deepened “1+N” Layout, Targeting Efficient Cities

Deepened “1+N” layout

1 refers to tier 1&2 cities, N refers to surrounding satellite cities

Targeting efficient cities

9 core urban agglomerations involves several efficient cities

Land Acquisition

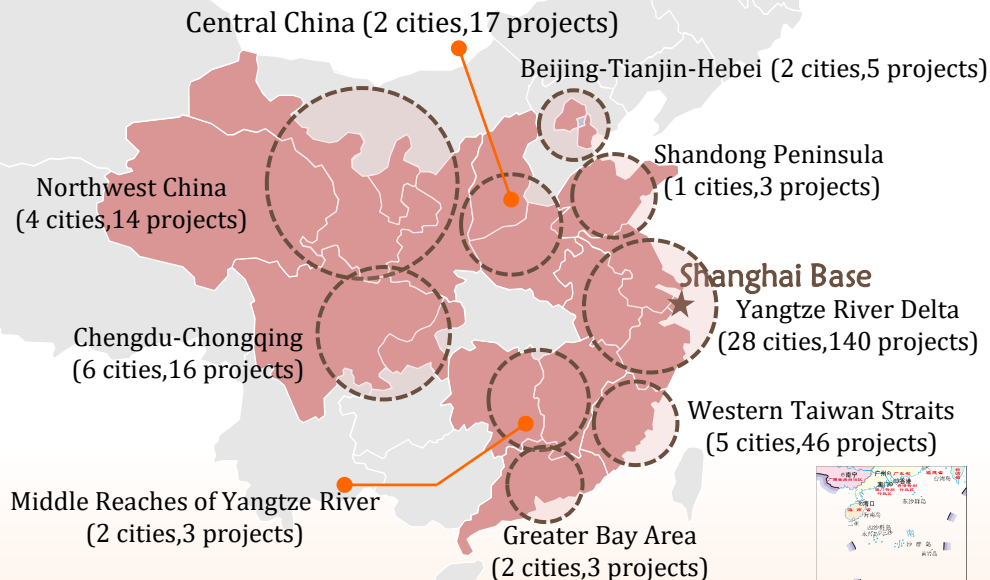
- Emphasis on land profitability test
- Promoting transformation of urban renewal
- Seeking project acquisition opportunities

Budget in 2020:

Proposing **30% -50%** of the sales proceeds

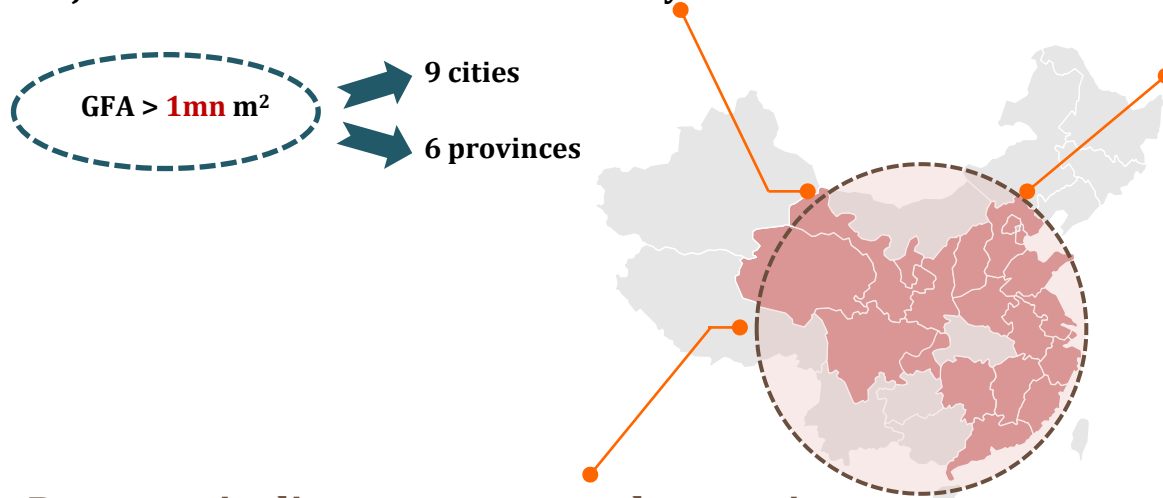
50%

Attributable land acquisition
accounting for RMB**28.4bn**



Nationwide layout strategy enhances the ability to respond to city-specific policies

Projects cover **52** cities across the country



Outstanding projects density and deep cultivation ability

Deepening layout in core cities like Hangzhou, Fuzhou, Shanghai, Fuyang, etc.

Research ability ➡ Centralized land sales policy

Reputation ➡ Promoting sales

Expense control ➡ Enhancing resource integration

Hangzhou: 39 projects Fuzhou: 31 projects

Shanghai: 13 projects Fuyang: 15 projects

Resource inclines to strong agglomerations

After years of development, **Yangtze River Delta**, **Western Taiwan Straits**, **Chengdu-Chongqing**, etc. show scale effect, strong developing ability and team quality. More resource will inclines to these strong agglomerations.

Improving Operational Efficiency

Five factors & Three linkage

Supply: External policy, External market, Internal management, Internal capital, Partner



Quality Linkage, Supply and Sales Linkage, Cash Flow Linkage



Profit: Saleable resource, Cost, Interest, Expense, Tax

Digital Management

- ✓ Upgrading **9** core systems
- ✓ Provide efficient support to business department

- Investment System
- Design System
- HR System
- Cost System
- Cost database
- Others

Enhanced Operation efficiency

Concentrate on **seven controlling stopping points** and **full picture controlling points**, to promote delicacy management and increase the efficiency. For the projects acquired and sold in year 2020, take average **5.8 months** from acquisition to launch sales.



Hangzhou · Zhan Wang

Land acquisition: January 2020

Launch sales: July 2020



Lian Yungang · Xue Yuanfu

Land acquisition: May 2020

Launch sales: December 2020



Nanjing · Qing Lan

Land acquisition: July 2020

Launch sales: December 2020

Reasonable Debt Structure and Adequate Liquidity

Net gearing: **82.8%**

Acquisition budget: **30%-50%** of cash collection
Net gearing control: **70%-90%**
Cooperation: **reasonable** minority interests

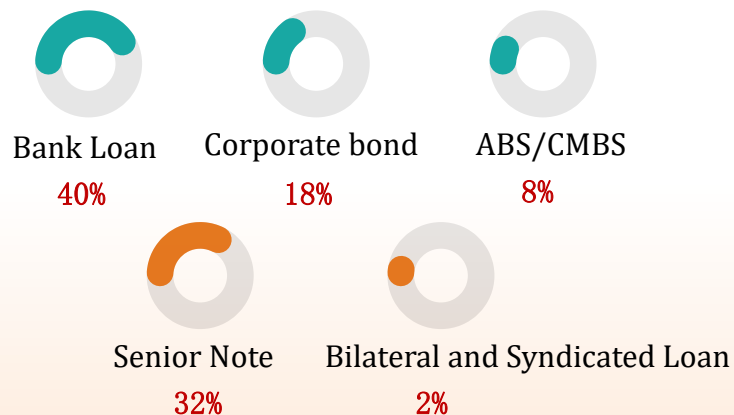
Cash to short-term debt: **1.08**

Cash collection rate: **80% or above**
Sufficient cash: balancing RMB **29.9bn**
Maturity structure: extend duration

Assets-to-liabilities ratio¹: **69.9%**

Turnover: faster development process
Profitability: focus on project profitability
Efficiency: high asset efficiency in tier 1&2 cities

Diversity financing channels



Proactive Debt Management

Issuance in 2020

- First **4-years** senior note issuance
- First **5-years** corporate bond issuance
- First **CMBS** issuance

Secondary Market

- March 2020, repurchased senior notes of **USD 66mn**
- October 2020, repurchased senior notes of **USD 19mn**
- March 2021, repurchased senior notes of **USD 34.5mn**

Product Upgrade



“CARE+” Healthy Family “Childlike Bubble” Playground

Award

Hangzhou · NEO

-The Outstanding Property Award London, FarmaniGroup

Fuzhou · Haiyue Jiangchao

-WAF China-Excellent Project of the Year, EMAP Group

Taiyuan · Time of City

-Melbourne Design Awards-GOLD, DRIVENxDESIGN

Hangzhou · Sky Mansion

-Silver Pro+ Award in Residential Building, The Architectural Society of Shanghai China

Wenzhou · Haiyue Qingfeng

-Aesthetics Vogue Award 2020-2021

Practicing Sustainable Development

Concern on the environment

Green construction site, Green Office

Growing on quality

ESG

Employee-oriented

Public Welfare Practices

Children Aids- “Public Welfare Scholarship”

Children's Health- concerned about the children with biliary atresia and pediatric liver transplantation

Children Education- “Young China” Public Welfare Libraries



First extra low energy consumption residential project - Shanghai Gumei project



“Best ESG” - The Fifth Golden HK Stocks Award



5

Appendix



Fuzhou • Haina Xinchao

Consolidated Income Statement

(RMB'000)	2020	2019
Revenue	48,302,505	51,462,502
Costs of sales	42,990,475	38,987,328
Gross Margin	5,312,030	12,475,174
Selling and marketing expenses	1,259,041	1,199,042
Administrative expenses	1,612,550	1,479,244
Fair value gains on investment properties	(184,332)	49,682
Other income	316,450	248,785
Other gains – net	368,575	49,367
Operating profit	2,941,132	10,144,722
Finance income	1,808,259	249,911
Finance costs	459,476	629,483
Finance (cost) / income – net	1,348,783	(379,572)
Share of net profit of associates and joint ventures accounted for using the equity method	611,458	895,660
Profit before income tax	4,901,373	10,660,810
Income tax expenses	1,406,874	4,767,017
Profit for the period	3,494,499	5,893,793
– attributable to owners of the Company	2,428,123	3,154,064
Earnings per share (RMB)	1.43	1.87

Consolidated Balance Sheet

(RMB'000)	2020	2019	2020	2019
Non-current assets			Equity	
Property, plant and equipment	1,424,939	1,567,616	Share capital	15
Land use rights	444,183	463,555	Share premium	3,786,195
Investment properties	14,487,730	13,224,100	Other reserves	13,926,853
Prepayments	-	-	Capital and reserves attributable to the owners of the Company	17,713,063
Intangible assets	5,365	5,580	Minority interests	32,945,940
Investments accounted for using the equity method	10,862,379	6,256,491	Perpetual capital instruments	-
Financial assets at fair value through profit or loss	996,855	755,773	Total equity	50,659,003
Deferred tax assets	668,200	444,954		41,288,230
Total non-current assets	28,889,651	22,718,069	Liabilities	
			Non-current liabilities	
			Borrowings	46,921,115
			Lease liability	15,431
			Deferred tax liabilities	1,915,527
			Total non-current liabilities	48,852,073
				46,512,847
Current assets			Current liabilities	
Properties under development	120,098,735	115,299,354	Borrowings	24,938,617
Completed properties held for sale	14,065,964	7,673,170	Current lease liability	9,900
Contract assets	1,098,664	999,576	Contract liabilities	65,076,080
Trade and other receivables and prepayments	29,518,185	25,015,169	Trade and other payables	31,476,801
Amounts due from related parties	5,984,288	5,654,598	Amounts due to related parties	5,291,322
Prepaid taxation	3,329,274	2,539,535	Pre-sale proceeds received from customers	-
Available-for-sale financial assets	362,248	-	Current tax liabilities	6,944,991
Cash and bank balances	29,901,778	34,308,567	Total current liabilities	133,737,711
Total current assets	204,359,136	191,489,969	Total liabilities	182,589,784
Total assets	233,248,787	214,208,038	Total equity and liabilities	233,248,787
				214,208,038

Four Major Product Series

Century Series

Selective, high-value & potential location, top design team creates modern art living community architecturally, innovatively and artistically

Representative Project

Hangzhou NEO、Shanghai Century Summit、Nanjing Century East



Hangzhou · NEO

Haiyue Series

Cohesion of Chinese architectural and humanistic design, creating a comprehensive innovative and contemporary new urban art living community

Representative Project

Shanghai Haiyue Siji、Fuzhou Haiyue Jiangchao、Wenzhou Haiyue Qingfeng



Shanghai · Haiyue Siji

Lan Series

Located in the essence of the city, surrounded by mountains, rivers sea or lakes, creating a contemporary art living community

Representative Project

Hangzhou Yunlan Tiandi、Hangzhou Konggang Lantian、Fuzhou Lantian



Hangzhou · Yunlan Tiandi

Center Series

Located in the city center, building landmarks such as five-star hotel/ mix-used commercial properties, driving the development of the nearby areas

Representative Project

Ronshine Sunkwan Center、Shanghai Hongqiao World Center、Xiamen Ronshine Center



Shanghai · Ronshine Sunkwan Center

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