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## **Ronshine China Holdings Limited**

**融信中國控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3301)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **2015 FINANCIAL HIGHLIGHTS**

- Contracted sales amounted to approximately RMB11,916.93 million, representing an increase of approximately 33.15% as compared with the previous year.
- Revenue amounted to approximately RMB7,414.58 million, representing an increase of approximately 80.88% as compared with the previous year.
- Gross profit amounted to approximately RMB2,714.21 million, representing an increase of approximately 138.09% as compared with the previous year.
- Profit for the year amounted to approximately RMB1,405.94 million, representing an increase of approximately 180.27% as compared with the previous year.
- Earnings per share (without taking into consideration of the shares issued during the initial public offering of the Company) for profit attributable to owners of the Company amounted to approximately RMB1.42, representing an increase of approximately 184.00% as compared with the previous year.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**” or “**Ronshine**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2015 with comparative figures for the year ended 31 December 2014, as follows:

### CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	<b>Year ended 31 December</b> <b>2015</b> <i>RMB'000</i>	<b>2014</b> <i>RMB'000</i>
Revenue	4	7,414,576	4,099,230
Cost of sales		<u>(4,700,368)</u>	<u>(2,959,228)</u>
<b>Gross profit</b>		2,714,208	1,140,002
Selling and marketing costs		(395,833)	(288,873)
Administrative expenses		(273,020)	(267,006)
Other income		<u>7,320</u>	<u>3,729</u>
<b>Operating profit</b>		2,052,675	587,852
Finance (costs)/income - net	5	(11,176)	5,025
Share of profits of investments accounted for using the equity method, net		<u>422,539</u>	<u>240,724</u>
<b>Profit before income tax</b>		2,464,038	833,601
Income tax expenses	6	<u>(1,058,097)</u>	<u>(331,962)</u>
<b>Profit for the year</b>		<u><u>1,405,941</u></u>	<u><u>501,639</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the Company		1,432,813	506,507
Non-controlling interests		<u>(26,872)</u>	<u>(4,868)</u>
		<u><u>1,405,941</u></u>	<u><u>501,639</u></u>
<b>Earnings per share for profit attributable to owners of the Company</b>			
- Basic and diluted (expressed in RMB per share)	7	<u><u>1.42</u></u>	<u><u>0.50</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	1,405,941	501,639
Other comprehensive income	<u>—</u>	<u>—</u>
<b>Total comprehensive income for the year</b>	<u><u>1,405,941</u></u>	<u><u>501,639</u></u>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the Company	1,432,813	506,507
Non-controlling interests	<u>(26,872)</u>	<u>(4,868)</u>
	<u><u>1,405,941</u></u>	<u><u>501,639</u></u>

## CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2015	2014
		RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		840,824	463,864
Land use rights		483,787	498,590
Intangible assets		2,774	3,368
Investments accounted for using the equity method		2,534,738	2,355,819
Other receivables		—	2,691
Available-for-sale financial assets		46,000	1,000
Deferred tax assets		<u>151,282</u>	<u>134,412</u>
		<u>4,059,405</u>	<u>3,459,744</u>
<b>Current assets</b>			
Properties under development		23,338,429	14,907,113
Completed properties held for sale		1,301,888	866,423
Trade and other receivables and prepayments	9	1,868,565	7,664,116
Amounts due from related parties		—	2,713,147
Amounts due from customers for contract works		143,361	114,627
Prepaid taxation		205,499	390,218
Available-for-sale financial assets		41,000	20,000
Term deposits with initial terms of over three months		1,021,799	—
Restricted cash		74,458	741,736
Cash and cash equivalents		<u>2,742,466</u>	<u>657,637</u>
		<u>30,737,465</u>	<u>28,075,017</u>
<b>Total assets</b>		<u><u>34,796,870</u></u>	<u><u>31,534,761</u></u>

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2015</b>	<b>2014</b>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	10	—	—
Share premium	10	989,745	—
Other reserves		<u>3,312,777</u>	<u>1,020,877</u>
		4,302,522	1,020,877
Non-controlling interests		<u>770,210</u>	<u>8,169</u>
<b>Total equity</b>		<u><u>5,072,732</u></u>	<u><u>1,029,046</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	11	<u>6,926,063</u>	<u>10,999,600</u>
<b>Current liabilities</b>			
Trade and other payables	12	2,273,632	1,277,317
Amounts due to related parties		265,007	3,207,622
Dividend payable	8	—	338,000
Pre-sale proceeds received from customers		10,083,124	8,099,997
Current income tax liabilities		729,812	323,979
Borrowings	11	<u>9,446,500</u>	<u>6,259,200</u>
		<u>22,798,075</u>	<u>19,506,115</u>
<b>Total liabilities</b>		<u>29,724,138</u>	<u>30,505,715</u>
<b>Total equity and liabilities</b>		<u><u>34,796,870</u></u>	<u><u>31,534,761</u></u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended 31 December 2015)

## 1 General information

Ronshine China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “**Group**”) are principally engaged in property development business in the People’s Republic of China (the “**PRC**”).

In preparing for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a reorganisation (the “**Reorganisation**”) was undertaken pursuant to which the Company became the holding company of the group companies comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 31 December 2015.

The Company’s shares were listed on the Stock Exchange on 13 January 2016.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 23 March 2016.

## 2 Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

### (a) *Effect of adopting amendments to standards*

The following amendments to standards are mandatory for the Group’s financial year beginning on 1 January 2015. The adoption of these amended standards does not have any significant impact to the results and financial position of the Group.

HKAS 19 (Amendment)	Defined benefit plans
HKFRSs (Amendments)	Annual improvements 2010 - 2012 cycle and 2011 - 2013 cycle

(b) *New standards and amendments to standards that have been issued but are not effective*

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:

HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation <sup>1</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture <sup>1</sup>
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: applying the consolidation exception <sup>1</sup>
HKAS 27 (Amendment)	Equity method in separate financial statements <sup>1</sup>
Annual improvements 2014	Annual improvements 2012 - 2014 cycle <sup>1</sup>
HKAS 1 (Amendment)	Disclosure initiative <sup>1</sup>
HKFRS 14	Regulatory deferral accounts <sup>1</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants <sup>1</sup>
HKFRS 15	Revenue from contracts with customers <sup>2</sup>
HKFRS 9	Financial instruments <sup>2</sup>

1 Effective for annual periods beginning on or after 1 January 2016.

2 Effective for annual periods beginning on or after 1 January 2018.

The above new standards and amendments to standards will be adopted in the years listed and the Group is in the process of assessing the impact on future accounting periods.

(c) *New Hong Kong Companies Ordinance (Cap.622)*

The requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

### 3 Segment information

The Executive Directors have been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the Executive Directors, which are used to allocate resources and assess performance.

The Group is principally engaged in the property development in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the Executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the Executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the year ended 31 December 2015 (2014: same).

As at 31 December 2015, all of non-current assets of the Group were located in the PRC (2014: same).

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the year ended 31 December 2015 (2014: same).

#### 4 Revenue

Revenue of the Group for the year ended 31 December 2015 is as follow:

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from sales of properties	7,326,711	3,996,186
Revenue from construction contracts	<u>87,865</u>	<u>103,044</u>
	<u><u>7,414,576</u></u>	<u><u>4,099,230</u></u>

#### 5 Finance (costs)/income — net

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Finance costs		
- Bank and other borrowings	2,066,887	1,511,122
- Finance costs on derecognition of amounts due from joint ventures and an associate	(74,876)	—
- Less: capitalised interest	<u>(2,066,887)</u>	<u>(1,511,122)</u>
	(74,876)	—
Finance income		
- Interest income from bank deposits	11,037	5,025
- Net foreign exchange gains	<u>52,663</u>	<u>—</u>
Finance (costs)/income - net	<u><u>(11,176)</u></u>	<u><u>5,025</u></u>

## 6 Income tax expenses

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax:		
Hong Kong profits tax	—	—
PRC corporate income tax	411,919	164,298
Land appreciation tax (“LAT”)	<u>663,048</u>	<u>229,785</u>
	1,074,967	394,083
Deferred income tax	<u>(16,870)</u>	<u>(62,121)</u>
	<u><u>1,058,097</u></u>	<u><u>331,962</u></u>

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/loss of the consolidated entities as follows:

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	2,464,038	833,601
Less: share of profits of joint ventures and an associate reported net of tax	<u>(422,539)</u>	<u>(240,724)</u>
	<u>2,041,499</u>	<u>592,877</u>
Tax calculated at applicable corporate income tax rates	501,597	148,219
Effect of expenses not deductible for income tax purpose	59,214	11,404
LAT deductible for income tax purpose	<u>(165,762)</u>	<u>(57,446)</u>
PRC corporate income tax	395,049	102,177
LAT	<u>663,048</u>	<u>229,785</u>
	<u><u>1,058,097</u></u>	<u><u>331,962</u></u>

### Hong Kong profits tax

The applicable Hong Kong profit tax rate is 16.5% for the year ended 31 December 2015 (2014: 16.5%).

### **PRC corporate income tax**

The income tax provision of the Group in respect of operations in mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2014 and 2015, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “**CIT Law**”) effective on 1 January 2008.

### **LAT**

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

### **Overseas income tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company’s direct subsidiary in the British Virgin Islands (the “**BVI**”) was incorporated under the Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax.

### **PRC dividend withholding income tax**

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

## 7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2014 and 2015. In determining the weighted average number of ordinary shares in issue, 100 shares issued during the Reorganisation and 1,012,499,000 shares issued by way of capitalisation upon the listing of the Company were deemed to have been issued since 1 January 2014.

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the Company (RMB'000)	1,432,813	506,507
Weighted average number of shares in issue	<u>1,012,499,175</u>	<u>1,012,499,100</u>
Basic earnings per share (RMB per share)	<u>1.42</u>	<u>0.50</u>

The Company did not have any potential ordinary shares outstanding for the year ended 31 December 2015 (2014: same). Diluted earnings per share is equal to basic earnings per share.

## 8 Dividend

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends declared by a group company to its then shareholders	<u>—</u>	<u>338,000</u>

Dividend of RMB338,000,000 has been declared by a group company to its then shareholders on 5 December 2014 and was subsequently settled in the year ended 31 December 2015.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2015.

9 Trade and other receivables and prepayments

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (Note (a))	<u>26,804</u>	<u>4,164</u>
Other receivables		
- Bidding deposits for acquisition of land use rights	181,880	—
- Deposits for construction contracts (Note (b))	98,482	148,482
- Receivables from a local government (Note (c))	66,627	66,627
- Others	<u>59,370</u>	<u>41,994</u>
	<u>406,359</u>	<u>257,103</u>
Prepayments		
- Prepaid business taxes and other taxes	345,472	334,821
- Prepayments for acquisition of land use rights	1,061,285	6,978,866
- Others	<u>28,645</u>	<u>91,853</u>
	<u>1,435,402</u>	<u>7,405,540</u>
	1,868,565	7,666,807
Less: other receivables included in non-current assets	<u>—</u>	<u>(2,691)</u>
	<u>1,868,565</u>	<u>7,664,116</u>

(a) Aging analysis of the trade receivables based on invoice date are as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	23,708	—
Over 90 days and within 365 days	—	2,339
Over 365 days	<u>3,096</u>	<u>1,825</u>
	<u>26,804</u>	<u>4,164</u>

Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balance within 90 days as specified in the sales and purchase agreements.

As at 31 December 2015, trade receivables of RMB3,096,000 were past due but not impaired (2014: RMB4,164,000). These relate to a number of independent customers for whom there are no significant financial difficulty. Management is of the view that the overdue amounts can be recovered as the Group is entitled to take over legal title and possession of underlying properties for re-sales.

- (b) The amounts represented deposits for construction contracts of resettlement housing.
- (c) The amounts represented the consideration paid to a local government in Fujian Province in relation to cooperation in development of a property project. The project was subsequently terminated and the consideration should be returned by the local government. Up to the date of these financial statements, the Group has received an amount of RMB30,000,000 from the local government.
- (d) As at 31 December 2015, the Group's trade and other receivables were all denominated in RMB (2014: same).
- (e) As at 31 December 2015, the Group's maximum exposure to credit risk was the carrying value of each class of receivables mentioned above (2014: same). No material trade and other receivables were impaired as at 31 December 2015 (2014: same).

#### 10 Share capital and share premium

	Number of ordinary shares	Nominal value of ordinary shares <i>HKD</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>	Share premium <i>RMB'000</i>	Total <i>RMB'000</i>
At 11 September 2014 (date of incorporation) and 31 December 2014	100	0.001	—	—	—
Capital injection from the then shareholder of the Company (Note (a))	<u>900</u>	<u>0.009</u>	<u>—</u>	<u>989,745</u>	<u>989,745</u>
At 31 December 2015	<u>1,000</u>	<u>0.01</u>	<u>—</u>	<u>989,745</u>	<u>989,745</u>

The authorised share capital of the Company as at 11 September 2014 (date of incorporation), 31 December 2014 and 2015 was HK\$380,000 divided into 38,000,000,000 shares.

Upon the incorporation of the Company, one ordinary share of HKD0.00001 was allotted and issued to the sole subscriber and then was transferred to Dingxin. On same date, the Company further allotted and issued 99 ordinary shares to Dingxin. The Company was then wholly-owned by Dingxin.

- (a) During the year ended 31 December 2015, the Company allotted and issued 900 shares to Dingxin at a consideration of US\$161,300,000 (equivalent to RMB989,745,000).

## 11 Borrowings

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities:		
Bank borrowings - secured	1,622,000	1,945,000
Other borrowings - secured (Note (a))	10,779,100	14,933,700
Public Corporate Bond - unsecured (Note (c))	1,171,463	—
Less: current portion of non-current borrowings	<u>(6,646,500)</u>	<u>(5,879,100)</u>
	<u>6,926,063</u>	<u>10,999,600</u>
Borrowings included in current liabilities:		
Bank borrowings - secured	—	29,100
Other borrowings - secured (Note (a))	2,800,000	351,000
Current portion of non-current borrowings	<u>6,646,500</u>	<u>5,879,100</u>
	<u>9,446,500</u>	<u>6,259,200</u>
Total borrowings	<u><u>16,372,563</u></u>	<u><u>17,258,800</u></u>

All of the Group's borrowings are denominated in RMB.

- (a) Certain group companies in the PRC have entered into fund arrangements with trust companies, security companies and assets management companies, respectively, pursuant to which these financial institutions raised funds and injected them, directly or through entrusted banks, to the group companies. Certain equity interests of the group companies were held by the financial institutions as collateral of which the Group is obligated to redeem at predetermined prices. The funds bear fixed interest rates and have fixed repayment terms.
- (b) As at 31 December 2015, all the Group's bank and other borrowings were secured by the Group's assets which includes properties held for sale, properties under development, property, plant and equipment, land use rights, equity interests of certain subsidiaries and restricted cash (31 December 2014: same). In addition to pledge of the Group's assets, Mr. Ou has provided personal guarantee for the bank and other borrowings of RMB7,912,000,000 as at 31 December 2015 (31 December 2014: RMB11,253,300,000), which has been subsequently released.

- (c) In October and November 2015, Rongxin (Fujian) Investment Group Co., Ltd. (“**Rongxin Fujian**”), a group company incorporated in PRC, obtained the pre-approval from Shanghai Stock Exchange and approval from China Securities Regulatory Commission, respectively, to issue corporate bonds to public investors (“**Public Corporate Bonds**”) in tranches within 24 months after the approvals. Rongxin Fujian issued the first tranche of the Public Corporate Bonds in December 2015 at nominal amount of RMB1.2 billion, with a tenure of 5 years, Rongxin Fujian has the option to increase the coupon rate by not more than 1% and the bond holder can exercise the retractable option at the end of the third year from the issuance date. The effective interest rate of this tranche of the Public Corporate Bonds is 6.41% per annum.
- (d) The exposure of borrowings to interest-rate changes and the contractual repricing dates or maturity dates whichever is earlier is as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
6 months or less	5,343,000	1,759,100
6-12 months	4,395,100	5,529,100
1-5 years	<u>6,634,463</u>	<u>9,970,600</u>
Total	<u>16,372,563</u>	<u>17,258,800</u>

- (e) The maturity of the borrowings is as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	9,446,500	6,259,200
1 - 2 years	4,654,600	7,052,100
2 - 5 years	<u>2,271,463</u>	<u>3,947,500</u>
Total	<u>16,372,563</u>	<u>17,258,800</u>

- (f) The weighted average effective interest rates were as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
Bank borrowings	6.89%	7.48%
Public Corporate Bond	6.41%	—
Other borrowings	<u>11.28%</u>	<u>11.31%</u>
Weighted average effective interest rates	<u>10.50%</u>	<u>10.88%</u>

- (g) The carrying amounts of the borrowings approximate their fair values as at 31 December 2015 as either the impact of discounting is not significant or the borrowings carry floating rates of interests (31 December 2014: same).

## 12 Trade and other payables

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (Note a)	1,640,102	776,592
Bills payable	—	112,000
Other taxes payable	17,537	3,943
Accrued payroll	78,124	56,615
Interests payable	61,988	87,632
Deposits received for sales of properties	252,607	117,369
Deposits from contractors and suppliers	125,282	78,658
Others	<u>97,992</u>	<u>44,508</u>
	<u><u>2,273,632</u></u>	<u><u>1,277,317</u></u>

- (a) The ageing analysis of the trade payables is as follows:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	546,914	352,101
Over 90 days and within 365 days	490,341	156,574
Over 365 days	<u>602,847</u>	<u>267,917</u>
	<u><u>1,640,102</u></u>	<u><u>776,592</u></u>

Except for other payables of RMB11,599,000 denominated in HKD, the Group's remaining trade and other payables as at 31 December 2015 were denominated in RMB (31 December 2014: all trade and other payables were denominated in RMB).

## CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the first annual results of the Group for the year ended 31 December 2015.

### Market and Business Review

During 2015, in order to cope with complex global economic environment and the increased economic downward pressure in China, the Chinese Government continued to regulate the macroeconomic conditions and introduced structural reforms, which resulted in a steady growth on national economy. In order to boost up the property market in China, the Chinese Government gradually relaxed certain property control measures based on macroeconomic performances, including the long-implemented property purchase quota, restrictions on down payment proportion for first-time and second-time buyers, and lowering the relevant tax rates. At present, except in several first-tier cities, property purchase quotas have been lifted in most domestic cities in China. Also, many local banks continued to lower their housing loan interest rates, and many local governments have introduced a series of housing subsidy policies to further stimulate purchasing demands for property.

Owing to continuous relaxations in property control measures, the property market in China significantly recovered in the second half of 2015, and both the areas and revenues for properties sold increased steadily during the year under review. The Real Estate Climate Index (also known as “**Real Estate Development Climate Index**”), which reflects real estate market climate, turned positive in June 2015, continued to increase in July and August 2015, and has remained steady since September 2015. However, recovery in the Chinese property market varies greatly between different regions, and the imbalance of development between different cities deepened. In first-tier and second-tier cities, rapid economic development and steady income growth uphold a strong demand on property market. While in some third-tier and fourth-tier cities, the outflow of population and resources resulted in a decrease in property demand. Excessive housing inventory has become a problem for third-tier and fourth-tier cities.

Based on the Group’s achievements and experiences obtained in the Western Taiwan Straits Economic Zone, Ronshine began to explore the national market and entered into the property markets in two important economic hubs, Shanghai and Hangzhou in the Yangtze River Delta, in 2013. Currently, Ronshine has successfully established its foothold in Shanghai, Hangzhou, Fuzhou, Xiamen, Zhangzhou and other places.

In 2015, by virtue of the tireless efforts of the Group, the sales revenue of Ronshine amounted to approximately RMB7,415 million, ranking the 29th among all Chinese real estate enterprises in terms of sales performance in 2015 according to the CRIC Research Center — an authoritative research institution in Chinese real estate industry. The contracted sales of the Group amounted to approximately RMB11,917 million with year-on-year increase of about 33.15%. The revenue of the Group increased significantly by approximately 80.88% from approximately RMB4,099 million in the year ended 31 December 2014 to approximately RMB7,415 million in the year ended 31 December 2015. The profit attributable to owners of the Company amounted to approximately RMB1,433 million with a year-on-year increase of about 182.88%. The earnings per share (without taking into consideration of the shares issued during the initial public offering of the Company) for profit attributable to owners of the Company reached RMB1.42 with a year-on-year increase of 184%. Further, the gearing ratio of the Group decreased significantly from 15.41 as at 31 December 2014 to 2.47 as at 31 December 2015. All these figures demonstrated that the Group has a strong and sound financial position, which is conducive to steady business development in the future.

Based on the excellent track records of the Group, the shares of the Company were successfully listed (the “**Listing**”) on the Main Board at The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2016 (the “**Listing Date**”), and the Group raised net proceeds of approximately HKD1,780 million. This marks an important move of the Group into the international capital market, and injects greater momentum and confidence into the long-term development of Ronshine in the future.

## **Prospects**

For many years, Ronshine has been focusing on core regions in the first-tier and second-tier cities in China, and dedicated to building benchmark products that meet the needs on local markets. Adhering to the Group’s strategy “Based in Fujian, Nationwide Presence”, the Group has made strenuous efforts to secure its leading position in Fujian Province while actively exploring domestic core city clusters represented by “Yangtze River Delta”. In February 2016, Ronshine moved its headquarters to Shanghai to deepen its nationwide presence. As a financial center in China and a window for China’s opening-up, Shanghai has good investment environment and a broad market, which lay a solid foundation for the future expansion of Ronshine brand.

As at 31 December 2015, Ronshine has abundant high-quality land reserves, the total floor area of which amounted to approximately 5.17 million square meters. Most of the land reserves of the Group are located in the first-tier and second-tier cities in China with high growth potential such as Shanghai, Fuzhou and Xiamen. The Group

believes that, the high-quality land reserves in prime locations enables the Group to plan attractive property development projects to propel the Group's continued business development. The Group believes the development potential of its land reserves will not be easily influenced by the market fluctuations in China. In the future, relying on the Group's prestigious brand and extensive experience within the industry, Ronshine will continue to develop high-quality properties in the Western Taiwan Straits Economic Zone where the Group has established a stronghold and those selected first-tier and second-tier cities. Furthermore, Ronshine also plans to expand its business in existing markets and strategically march toward other first-tier and second-tier cities. As part of its expansion strategy, Ronshine will continue to identify and acquire more suitable land in Shanghai and Hangzhou where the Group has established strongholds so as to continue the expansion of the Group's brand recognition in those cities and further enhance economies of scale, and will prudently enter other first-tier and second-tier cities with net inflow of population where real estate supply and demand is in good balance.

By leveraging the Group's rich experience and excellent track records of property development in the Western Taiwan Straits Economic Zone, and the Group's strategic development and deployment in Shanghai, Hangzhou and other places, Ronshine is confident in grasping the good development opportunities under the support of the rigid demand of the people who purchase houses for improving housing conditions in China's real estate market, so as to promote long-term and stable business development of the Group.

Upon its Listing and to continue implementing its business expansion in the first-tier cities, Ronshine, through its subsidiaries, successfully acquired two parcels of lands situated in Hangzhou and one parcel of land situated in Shanghai. The total floor area of these three parcels of land amounted to approximately 328,500 square meters. Since the locations of these three parcels of land are considered by the Group as prime areas, Ronshine believes these parcels of land provide broad space for the Group's growth in the property market in Hangzhou and Shanghai.

While implementing long-term development strategy, the Group is also committed to continue to the implement of its prudent financial policy and take an active approach for capital structure management. Following its successful Listing on 13 January 2016, the Company actively develops various financing channels so as to optimise its financial structure. The Group takes a cautious and sensitive approach to the capital market to seize the best financing opportunities with a view to reduce the Group's financing costs and improve its profitability. In September 2015 and November 2015, the Group applied to the Shanghai Stock Exchange and Shenzhen Stock Exchange for issuing corporate bonds in the Shanghai Stock Exchange and the Shenzhen Stock

Exchange with a total principal amount up to RMB11 billion. As at the date of this announcement, the Group has successfully issued RMB6.5 billion of corporate bonds on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The Group believes the issue of corporate bonds can improve its operating cash flow by expanding and diversifying its financing channels, and intends to use part of the proceeds raised in these corporate bonds to replace the high-cost trust loans so as to optimise the Group's gearing ratio, support the Group's business development in good momentum, and improve the Group's asset turnover efficiency.

In the future, the Group will commit itself to product diversifications and continue to focus on residential property development. Moreover, the Group will continue to acquire high-quality land to expand its land reserve, thereby supporting long-term and stable business development of the Group.

### **Acknowledgements**

On behalf of the Board, I hereby express my sincere gratitude to the shareholders and partners of the Group for their trust and long-time supports. In addition, my thanks go to the Board, the Group's management team and all employees for their great efforts and contribution in the past years. In 2016, the Group will continue to work hard, achieve better results, and bring higher returns to shareholders.

By Order of the Board  
**Ou Zonghong**  
*Chairman*

Hong Kong, 23 March 2016

## MANAGEMENT DISCUSSION AND ANALYSIS

### Summary of operating results

	2015	2014	Changes
<b>Contracted sales</b>			
Contracted sales amount ( <i>RMB'000</i> )	<b>11,916,926</b>	8,949,735	33.15%
Floor area of contracted sales ( <i>square meter</i> )	<b>648,913</b>	604,442	7.36%
Average unit price of contracted sales ( <i>RMB/square meter</i> )	<b>18,364</b>	14,807	24.02%
<b>Revenue</b>			
Among which: property sales			
- Revenue from property delivered ( <i>RMB'000</i> )	<b>7,326,711</b>	3,996,186	83.34%
- Total floor area of the property delivered ( <i>square meter</i> )	<b>589,700</b>	241,304	144.38%
<b>Gross profit (<i>RMB'000</i>)</b>	<b>2,714,208</b>	1,140,002	138.09%
<b>Profit for the year</b>	<b>1,405,941</b>	501,639	180.27%
- attributable to owners of the Company ( <i>RMB'000</i> )	<b>1,432,813</b>	506,507	182.88%
- attributable to non-controlling interests ( <i>RMB'000</i> )	<b>(26,872)</b>	(4,868)	452.01%
<b>Total assets (<i>RMB'000</i>)</b>	<b>34,796,870</b>	31,534,761	10.34%
<b>Bank deposits (including cash and cash equivalents, restricted cash and term deposits with initial terms of over three months) (<i>RMB'000</i>)</b>	<b>3,838,723</b>	1,399,373	174.32%
<b>Total of bank loans and other loans (<i>RMB'000</i>)</b>	<b>16,372,563</b>	17,258,800	(5.13)%
<b>Total equity (<i>RMB'000</i>)</b>	<b>5,072,732</b>	1,029,046	392.95%
<b>Total equity attributable to owners of the Company (<i>RMB'000</i>)</b>	<b>4,302,522</b>	1,020,877	321.45%
<b>Key financial ratios</b>			
Gross profit margin <sup>(1)</sup>	<b>36.61%</b>	27.81%	31.64%
Profit margin <sup>(2)</sup>	<b>18.96%</b>	12.24%	54.90%
Current ratio <sup>(3)</sup>	<b>1.35</b>	1.44	(6.25)%
Interest coverage ratio <sup>(4)</sup>	<b>2.23</b>	1.55	43.87%
Gearing ratio <sup>(5)</sup>	<b>2.47</b>	15.41	(83.97)%

#### Notes:

- (1) The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (2) The calculation of net profit margin is based on net profit divided by revenue and multiplied by 100%.
- (3) The calculation of current ratio is based on current assets divided by current liabilities.
- (4) The calculation of interest coverage ratio is based on (a) profit before income tax plus capitalised interest less finance income and divided by (b) capitalised interest less finance income.
- (5) The calculation of gearing ratio is based on total borrowings less restricted cash, cash and cash equivalents and term deposits with initial terms of over three months and divided by total equity.

## Property Development

### *Contracted sales*

For the year ended 31 December 2015, the Group achieved contracted sales of RMB11,916.93 million, representing a growth of 33.15% compared with approximately RMB8,949.74 million for the year ended 31 December 2014. This increase was mainly attributable to the increase in the gross floor area of contracted sales by about 7.36% to 648,913.09 square meters for the year of 2015 from 604,441.73 square meters for the year of 2014, and the increase in the average selling price of contracted sales by 24.02% to RMB18,364.44 for the year of 2015 from RMB14,806.61 for the year of 2014. The amount of contracted sales in Shanghai, Hangzhou, Fuzhou, Xiamen and Zhangzhou accounted for approximately 11.40%, 28.88%, 39.47%, 9.40% and 10.85% of the Group's total contracted sales amount for the year ended 31 December 2015, respectively, and the gross floor area of contracted sales of these areas accounted for approximately 7.07%, 16.78%, 43.46%, 8.37% and 24.32% of the Group's total gross floor area of contracted sales for the year ended 31 December 2015, respectively.

	Contracted sales in 2015				
	Amount	Percentage	Gross floor area	Percentage	Average selling price
	(RMB million)		(square meter)		(RMB/ square meter)
Shanghai	1,358.96	11.40%	45,888.94	7.07%	29,614.11
Hangzhou	3,441.66	28.88%	108,872.60	16.78%	31,611.81
Fuzhou	4,703.89	39.47%	281,990.19	43.46%	16,681.01
Xiamen	1,119.16	9.40%	54,376.35	8.37%	20,581.74
Zhangzhou	1,293.26	10.85%	157,785.01	24.32%	8,196.34
<b>Total</b>	<b><u>11,916.93</u></b>	<b><u>100%</u></b>	<b><u>648,913.09</u></b>	<b><u>100%</u></b>	<b><u>18,364.44</u></b>

## Revenue

For the year ended 31 December 2015, revenue of the Group amounted to approximately RMB7,414.58 million, representing an increase of approximately RMB3,315.35 million, or approximately 80.88%, compared with the approximately RMB4,099.23 million for the year ended 31 December 2014. For the year of 2015, the gross floor area delivered increased to 589,700 square meters from 241,304 square meters for the year of 2014. The Group's revenue for the year ended 31 December 2015 was principally generated from the property sales in Fuzhou, Xiamen and Zhangzhou, which accounted for approximately 23.35%, 42.59% and 32.87% of the Group's revenue, respectively.

### Revenue in terms of sales in 2015

	Gross		Average	
	floor area		selling price	
	Amount	Percentage	delivered	Percentage
	(RMB		(square	
	million)		meter)	
Fuzhou	1,731.45	23.35%	116,830	19.81%
Xiamen	3,158.20	42.59%	183,435	31.11%
Zhangzhou	2,437.06	32.87%	289,435	49.08%
Fuzhou and				
Hangzhou —				
Revenue from				
construction				
contract of				
resettlement				
housing <sup>(Note)</sup>	87.87	1.19%	N/A	N/A
<b>Total</b>	<b><u>7,414.58</u></b>	<b><u>100.00%</u></b>	<b><u>589,700</u></b>	<b><u>100.00%</u></b>
				<b><u>12,573</u></b>

*Note:* The Group cooperated or agreed to cooperate with the local governments in constructing resettlement housing units adjacent to certain developments of the Group. The construction of such resettlement housing was typically included by the relevant local governments as part of the package for the acquisition of related parcels of land for commercial development. Under such arrangement, the Group pays the relevant land premium and receive the land use rights certificates registered to the Group's name with respect to the land parcels underlying the resettlement properties during the construction phase, but are obligated to deliver the properties upon completion back to the local government. For further details of the construction of resettlement housing, please refer to the section headed "Business — Construction of Resettlement Housing" in the prospectus of the Company dated 31 December 2015.

### **Projects completed**

For the year ended 31 December 2015, the Group and its associated company and joint ventures had completed a total of six projects or phases of projects, with total gross floor area of approximately 1,416,323.20 square meters.

### **Projects under construction**

As at 31 December 2015, the Group and its associated company and joint ventures had a total of 20 projects or phases of projects under construction, with total planned gross floor area of approximately 3,794,040.99 square meters.

### **Land reserve**

For the year ended 31 December 2015, the Group did not acquire any new land.

As at 31 December 2015, the total gross floor area of the Group's land reserve was approximately 5.17 million square meters, among which, approximately 3.79 million square meters were under construction, and approximately 1.38 million square meters were held for future development. As at 31 December 2015, the cost per square meter of the Group's land reserve was RMB4,956.71, of which, about 79% located in the prime area in the first-tier and second-tier cities in China, the relatively high-quality and low-cost land reserve provides effective support to high profitability in the future.

The table below sets forth the land reserve of the Group as at 31 December 2015:

Region	Name of project	Total land value (RMB10,000)	Total gross floor area of reserve (10,000 sq.m)	Average cost per sq.m (RMB/sq.m)
Shanghai	Imperial Villa (融信●鉞灣)	141,200	10.39	11,396
	Shanghai Xujing Project (徐涇鎮會展中心3地塊一期、二期、三期、四期)	472,100	40.39	8,539
	French Legend (融信●法蘭西世家)	123,700	8.74	10,803
	Shanghai Huacao Lot I (閔行區華漕鎮MHPO-1402單元41-02地塊)	40,630	8.10	6,165
	Shanghai Huacao Lot II (閔行區華漕鎮MHPO-1402單元35-01地塊)	20,220	2.41	6,018
	Shanghai Huacao Lot III (閔行區華漕鎮MHPO-1402單元36-01地塊)	16,770	0.94	6,098
	Shanghai Huacao Lot IV (閔行區華漕鎮MHPO-1402單元42-01地塊)	47,160	5.34	6,101
Hangzhou	Blue Peacock Phase 1 (融信●藍孔雀一期)	126,000	6.33	13,953
	Blue Peacock Phase 2 (融信●藍孔雀二期)	220,000	10.80	14,966
	Hangzhou Mansion (杭州公館)	338,437	22.88	25,717
Fuzhou	The Twin Harbor City (融信●雙杭城)	562,000	111.13	6,065
	The Coast (融信●後海)	92,500	16.60	7,406
	The White House (融信●白宮)	111,133	22.51	3,584
	Pingtian David City (融信●平潭大衛城)	78,200	21.82	2,341
	The Long Island (融信●長島)	130,000	80.91	2,437
	West Coast (融信●陽光城西海岸)	30,800	12.04	910
	Ocean City (融信●海上城)	89,713	23.40	1,989
Zhangzhou	Future City (融信●未來城)	30,000	16.04	2,573
	Festival City (融信●觀山海)	31,951	27.74	1,549
	Imperial Land (一品江山)	52,000	15.82	2,206
	Zhangzhou Wanke City (漳州萬科城)	150,400	20.80	1,773
	College City (學院名築)	57,800	18.10	4,059
	Zhangzhou Harbor B8 Lot (漳州港B8)	51,800	13.86	4,868
		<u>3,614,514</u>	<u>517.10</u>	<u>4,957</u>
<b>Total</b>		<b><u>3,614,514</u></b>	<b><u>517.10</u></b>	<b><u>4,957</u></b>

## Financial Review

### Revenue

For the year ended 31 December 2015, the Group's revenue increased by RMB3,315.35 million, or approximately 80.88%, to RMB7,414.58 million (2014: RMB4,099.23 million), mainly due to increase in revenue derived from increase of properties delivered during the year under review.

Details of the revenue by project are as follows:

Project name	2015		2014	
	Area (square meter)	Amount (RMB'000)	Area (square meter)	Amount (RMB'000)
Ocean City (融信 • 海上城)	183,435	3,158,200	N/A	N/A
Lan Garden (融信 • 瀾園)	289,435	2,437,058	N/A	N/A
White House (融信 • 白宮)	70,892	886,175	N/A	N/A
Lan County (融信 • 瀾郡)	38,415	748,210	151,532	2,870,066
David City (融信 • 大衛城)	4,596	78,412	87,650	1,113,123
First City Rongxin Super Star City (融信 • 第一城)	2,759	17,263	2,122	12,998
Rongxin Spanish (融信 • 西班牙)	168	1,393	N/A	N/A
The Coast-Resettlement housing (融信 • 後海—安置房) <sup>(Note)</sup>	N/A	72,135	N/A	55,642
Lan County- Resettlement housing (融信 • 瀾郡—安置房) <sup>(Note)</sup>	N/A	N/A	N/A	47,401
Hangzhou Mansion-Resettlement housing (杭州公館—安置房)	N/A	15,730	N/A	N/A
(Note)				
Total	<u>589,700</u>	<u>7,414,576</u>	<u>241,304</u>	<u>4,099,230</u>

### ***Cost of sales***

The Group's cost of sales increased by approximately RMB1,741.14 million for the year of 2015 compared with the year of 2014. The increase was mainly due to the increase in property sold, which in turn increased the total area of property delivered and the business scale of the Group during the year ended 31 December 2015. Set forth below is a breakdown of the cost of sales of the Group:

	<b>2015</b>	<b>2014</b>	<b>Changes</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	<b>(%)</b>
Costs	<b>4,700,368</b>	2,959,228	58.84
- Cost of property sold	<b>4,616,208</b>	2,861,749	61.31
- Cost of construction contracts	<b>84,160</b>	97,479	(13.66)

### ***Selling and marketing costs and administrative expenses***

The Group's selling and marketing costs for the year of 2015 amounted to approximately RMB395.83 million (2014: approximately RMB288.87 million). The increase in selling and marketing costs was mainly attributable to the significant increase in the Group's contracted sales by 33.15% to RMB11,916.93 million as compared to 2014.

The Group's administrative expenses for the year of 2015 amounted to approximately RMB273.02 million (2014: approximately RMB267.01 million). The increase in administrative expenses was mainly attributable to the increase in, among others, labour costs brought about by the Group's business expansion.

### ***Operating profit***

The Group's operating profit for the year of 2015 amounted to approximately RMB2,052.68 million (2014: approximately RMB587.85 million). The significant increase of the operating profit by approximately 249.18% as compared to 2014 was mainly attributable to the Group's revenue increased significantly by approximately 80.88% to RMB7,414.58 million as compared to 2014, while the Group's cost of sales, selling and marketing costs and administrative expenses increased slightly by approximately 52.75% to RMB5,369.22 million as compared to 2014.

### ***Finance costs***

The Group's finance costs for the year of 2015 was approximately RMB11.18 million (2014: finance income of approximately RMB5.03 million). The finance costs for the year 2015 increased as the finance costs on derecognition of amounts due from joint ventures and an associate amounted to RMB74.88 million which could not be capitalised. The proportion of the Group's finance costs to revenue increased to 0.15% in 2015 from -0.12% in 2014.

### ***Income tax expenses***

After taking into account of the relevant impact of variations in deferred income tax, the net amount of corporate income tax and net amount of land appreciation tax of the Group for the year of 2015 amounted to approximately RMB395.05 million and RMB663.05 million, respectively (2014: approximately RMB102.18 million and RMB229.79 million, respectively).

### ***Gross profit and profit***

The gross profit of the Group for the year of 2015 was approximately RMB2,714.21 million, representing an increase of approximately RMB1,574.21 million as compared to 2014. The increase in gross profit was mainly attributable to a significant increase in revenue as compared to 2014. The Group's gross profit margin for the year of 2015 was 36.61%, increased by approximately 31.64% as compared to the year of 2014.

The Group's profit for the year of 2015 was approximately RMB1,405.94 million, representing an increase of approximately RMB904.3 million as compared to 2014. The increase in profit was primarily attributable to the significant increase in the operating profit as compared to 2014. The Group's profit margin for the year of 2015 reached 18.96%, representing an increase of about 6.72% as compared to the year of 2014.

### ***Liquidity and financial resources***

As at 31 December 2015, the Group's total assets amounted to approximately RMB34,796.87 million (2014: approximately RMB31,534.76 million), of which current assets amounted to approximately RMB30,737.47 million (2014: approximately RMB28,075.02 million), total liabilities amounted to approximately RMB29,724.14 million (2014: approximately RMB30,505.72 million), including non-current liabilities of approximately RMB6,926.06 million (2014: approximately

RMB10,999.6 million). Total equity amounted to approximately RMB5,072.73 million (2014: approximately RMB1,029.05 million), of which the equity capital attributable to owners of the Company amounted to approximately RMB4,302.52 million (2014: approximately RMB1,020.88 million).

As at 31 December 2015, the Group had bank deposits (including cash and cash equivalents, restricted cash and term deposits with initial terms of over three months) of approximately RMB3,838.72 million (2014: approximately RMB1,399.37 million), total borrowings of approximately RMB16,372.56 million (2014: approximately RMB17,258.80 million), total net borrowings of approximately RMB12,533.84 million (2014: approximately RMB15,859.43 million), and weighted average effective interest rate for outstanding borrowings of approximately 10.50% (including bank borrowings and trust and other borrowings and Public Corporate Bond) (31 December 2014: approximately 10.88%). As at 31 December 2015, the Group's trust and other borrowings and Public Corporate Bond were RMB14,750.56 million, representing 90.09% of the total borrowings.

### ***Financing activities***

The Group obtained net proceeds (net of listing expenses) of approximately RMB1,502.10 million through the initial public offering during the year of 2015. In addition, the Group obtained net proceeds of approximately RMB1,171.46 (net of transaction expenses) through the issuance of Public Corporate Bond in the principal amount of RMB1,200.00 million during the year of 2015.

### ***Pledge of assets***

As at 31 December 2015, all the Group's bank and other borrowings were secured by the Group's assets of approximately RMB15,038.72 million which includes completed properties held for sale, properties under development, property, plant and equipment, land use rights and restricted cash. Certain other borrowings were also secured by equity interests of certain subsidiaries.

### ***Contingent liabilities***

As at 31 December 2015, the Group has provided guarantees of approximately RMB6,412.93 million (2014: approximately RMB3,579.85 million) for the mortgage loans provided by some banks to the Group's customers. In accordance with the guarantee terms, if any customers delays to repay such mortgage loans before corresponding property right certificate is issued, the corresponding bank is entitled to withdraw the amount equivalent to the arrears from the Group's margin deposits, and claim against the Group for supplementary payment if the margin deposit is insufficient to cover the arrears.

If any of the above risks occurs, the Group is entitled to take back the ownership of relevant property; the Group's management believes that, the market value of relevant mortgaged property will not be less than the arrears that might be paid by the Group, so the risk of loss assumed by the Group for the above guarantee is low.

### ***Current ratio***

As at 31 December 2015, the current ratio of the Group was 1.35 (2014: 1.44), the decline was mainly attributable to the re-classification of some non-current loans into current liabilities as at 31 December 2015 as such loans will be matured in 2016.

### ***Gearing ratio***

As at 31 December 2015, the gearing ratio of the Group was 2.47 times (2014: 15.41 times). The improvement in its gearing ratio was mainly attributable to the Group's effort on managing its gearing level including, among others, equity contributions from controlling shareholder and strategic investors, increase of revenue for the year and the adoption of various measures to control the costs and expenses of the Group including, among others, setting up target costs for project design and development, implementing centralised procurement and stipulating detailed and prudent financial policies to manage the Group's selling and marketing costs and administrative expenses. The Company will continue to closely monitor the due dates of borrowings and manage the level of liquid capital to ensure that cash flows are sufficient for repayment of its indebtedness and meeting the cash requirements for payables in its business.

### **Future plans for material investments and expected source of funding**

The Group will continue to focus on its existing property development business and acquiring high-quality land parcel in the first-tier cities in China. No concrete plan for future investments is in place as at the date of this announcement.

### **Use of Proceeds from Initial Public Offering**

The shares of the Company were listed on the Stock Exchange in January 2016 and the Company raised net proceeds of approximately HK\$1,780 million from the Listing. The net proceeds is currently held in bank deposits and it is intended that it will be applied in the manner consistent with the proposed allocations in the prospectus.

### **FOREIGN CURRENCY RISK**

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the

Group pay to shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

## **MATERIAL ACQUISITION AND DISPOSAL**

On 21 March 2016, Rongxin (Fujian) Investment Company Limited, a wholly-owned subsidiary of the Company, acquired 50% equity interest in Fujian Ronghui Real Estate Company Limited (福建融匯置業有限公司) (“**Fujian Ronghui**”) from an independent third party at a consideration of RMB840 million. Fujian Ronghui has become a non-wholly owned subsidiary of the Company after this acquisition. For further details, please refer to the announcement of the Company dated 21 March 2016.

Save as disclosed above, since the Listing Date and up till the date of this announcement, the Group did not have any material acquisition or disposal of subsidiaries and associated companies.

## **SUBSEQUENT EVENTS**

### ***Capitalisation issue***

On the Listing Date, the Company issued 1,012,499,000 ordinary shares at par value of HK\$0.00001 each to holders of shares on the register of members of the Company at the close of business on the business day immediately preceding the Listing Date by way of capitalisation of an amount of HK\$10,125 standing to the credit of the share premium account of the Company.

### ***Initial global offering***

On the Listing Date, the Company issued a total of 337,500,000 ordinary shares of HK\$0.00001 each at a price of HK\$5.36 per share as a result of the initial global offering.

On 28 January 2016, 2,348,000 shares were issued according to the over-allotment option described in the prospectus of the Company dated 31 December 2015, at a price of HK\$5.36 per share.

Number of total issued shares of the Company increased to 1,352,348,000 shares upon completion of the capitalisation issue, initial global offering and exercise of over-allotment option.

### ***Bond issuances***

On 19 January 2016, Rongxin (Fujian) Investment Group Co., Ltd., a wholly-owned subsidiary of the Company, (“**Rongxin Fujian**”) issued the second tranche of a Public Corporate Bond on the Shanghai Stock Exchange for a principal amount of RMB1.3 billion at 6.20% per annum, with tenure of 5 years. At the end of the third year, Rongxin Fujian has an option to adjust the coupon rate, and investors can exercise retractable option. The proceeds from the issue of the Public Corporate Bond are expected to refinance its existing indebtedness.

On 26 January 2016, Rongxin Fujian issued the first tranche of a private corporate bond on the Shenzhen Stock Exchange with a principal amount of RMB3.1 billion at 7.89% per annum, with an initial 2-year term. At the end of the second year, investor has a right to continue to extend the maturity date of the bonds for another two years. The proceeds from the issue of the private corporate bond are expected to refinance its existing indebtedness.

On 18 February 2016, Rongxin Fujian issued the second tranche of a private corporate bond on the Shenzhen Stock Exchange with a principal amount of RMB0.4 billion at 7.6% per annum, with an initial 2-year term. At the end of the second year, investor has a right to continue to extend the maturity date of the bonds for another two years. The proceeds from the issue of the private corporate bond are expected to refinance its existing indebtedness.

On 21 March 2016, Rongxin Fujian issued the first tranche of a private corporate bond on the Shanghai Stock Exchange with a principal amount of RMB0.5 billion at 7.5% per annum, with a 3-year term. At the end of the second year, Rongxin Fujian has a right to adjust the interest rate of the outstanding bonds, and investor has a right to sell all or any part of the outstanding bonds to Rongxin Fujian at nominal value. The proceeds from the issue of the private corporate bond are expected to refinance its existing indebtedness.

### **EMPLOYEE AND REMUNERATION POLICY**

As at 31 December 2015, the Group employed a total of 920 full-time employees. For the year ended 31 December 2015, the staff cost of the Group amounted to approximately RMB237.08 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee’s qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the

determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on regular basis to meet different requirements and emphasise individual initiative and responsibility. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. From the Listing Date and up to the date of this announcement, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the shareholders' eligibility to attend and vote at the annual general meeting of the Company to be held on 27 May 2016 (the "AGM"), the register of members of the Company will be closed from 23 May 2016 to 27 May 2016 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on 20 May 2016.

## **PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY**

From the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the guidelines for the Directors’ dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed that they have complied with the required standards set out in the Model Code during the period from the Listing Date and up to the date of this announcement. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the aforesaid guidelines for the period from the Listing Date and up to the date of this announcement.

## CORPORATE GOVERNANCE

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable Code Provisions under the Corporate Governance Code during the period from the Listing Date and up to the date of this announcement, save and except for the deviation from Code Provision A.2.1 of the Corporate Governance Code disclosed below.

Code Provision A.2.1 of the Corporate Governance Code stipulated that the roles of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong, an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou Zonghong’s extensive industrial experience and significant role in the historical development of the Group, the Board believes both that it is beneficial to the business prospects of the Group that Mr. Ou Zonghong continues to act as the chairman and chief executive officer of the Group following the Listing Date, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors and independent non-executive Directors.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxingroup.com](http://www.rongxingroup.com)). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee consists of three members, namely Mr. Qu Wenzhou, Mr. Lo, Wing Yan William and Mr. Ren Yunan, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Qu Wenzhou who possesses appropriate professional qualifications.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee has reviewed, and has agreed with the auditor of the Company, on the Group’s annual results for the year ended 31 December 2015.

## **AUDITOR**

The financial figures in the preliminary announcement of Group’s results for the year ended 31 December 2015 (to the amounts set out in the Group’s consolidated financial statements) have been agreed by PricewaterhouseCoopers, the auditor of the Company, who shall retire at the AGM. A resolution will be proposed at the AGM for the re-appointment of PricewaterhouseCoopers as the auditor of the Company.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the period from the Listing Date and up to the date of this announcement, the Company has maintained a sufficient public float of more than 25% of the Company’s issued share capital as required under the Listing Rules.

## **PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.rongxingroup.com](http://www.rongxingroup.com)). The annual report of the Company for the year ended 31 December 2015 will be dispatched to shareholders and made available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Ronshine China Holdings Limited**  
**Ou Zonghong**  
*Chairman*

Hong Kong, 23 March 2016

*As at the date of this announcement, Mr. Ou Zonghong, Mr. Wu Jian, Mr. Lin Junling and Ms. Zeng Feiyan are the executive Directors, and Mr. Lo, Wing Yan William, Mr. Ren Yunan and Mr. Qu Wenzhou are the independent non-executive Directors.*