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 2016

2016 FINANCIAL HIGHLIGHTS

- Contracted sales amounted to approximately RMB24,639.33 million, representing an increase of approximately 107% as compared with the previous year.
- Revenue amounted to approximately RMB11,371.66 million, representing an increase of approximately 53% as compared with the previous year.
- Gross profit amounted to approximately RMB2,301.82 million, representing a decrease of approximately 15% as compared with the previous year.
- Profit for the year amounted to approximately RMB1,702.87 million, representing an increase of approximately 21% as compared with the previous year.
- Earnings per share for profit attributable to owners of the Company amounted to approximately RMB0.96, representing a decrease of approximately 32% as compared with the previous year.
- Gearing ratio amounted to approximately 98%, representing a decrease of approximately 60% 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 2016 with comparative figures for the year ended 31 December 2015, as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**Year ended 31 December 2016** *RMB'000*	2015 *RMB'000*
Revenue	4	**11,371,663**	7,414,576
Cost of sales		**(9,069,848)**	(4,700,368)
Gross profit		**2,301,815**	2,714,208
Selling and marketing costs		**(473,370)**	(395,833)
Administrative expenses		**(477,911)**	(273,020)
Fair value gains on investment properties		**361,026**	—
Fair value gains on the remeasurement of joint ventures		**278,074**	—
Other income		**11,666**	7,320
Operating profit		**2,001,300**	2,052,675
Finance income/(cost), net	5	**125,363**	(11,176)
Share of profits of investments accounted for using the equity method, net		**443,105**	422,539
Profit before income tax		**2,569,768**	2,464,038
Income tax expenses	6	**(866,900)**	(1,058,097)
Profit for the year		**1,702,868**	1,405,941
Profit for the year attributable to:			
Owners of the Company		**1,292,339**	1,432,813
Non-controlling interests		**308,510**	(26,872)
Holders of Perpetual Capital Instruments		**102,019**	—
		1,702,868	1,405,941
Earnings per share for profit attributable to owners of the Company			
— Basic and diluted (expressed in RMB per share)	7	**0.96**	1.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Profit for the year	**1,702,868**	1,405,941
Other comprehensive income	**—**	—
Total comprehensive income for the year	**1,702,868**	1,405,941
Total comprehensive income for the year attributable to:		
Owners of the Company	**1,292,339**	1,432,813
Non-controlling interests	**308,510**	(26,872)
Holders of Perpetual Capital Instruments	**102,019**	—
	1,702,868	1,405,941

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2016 RMB'000	2015 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,321,057**	840,824
Land use rights		**479,518**	483,787
Investment properties		**4,058,000**	—
Intangible assets		**4,876**	2,774
Investments accounted for using the equity method		**2,695,532**	2,534,738
Available-for-sale financial assets		**33,724**	46,000
Term deposits		**640,000**	—
Deferred income tax assets		**258,949**	151,282
		9,491,656	4,059,405
Current assets			
Properties under development		**31,614,716**	23,338,429
Completed properties held for sale		**7,572,767**	1,301,888
Trade and other receivables and prepayments	9	**32,103,325**	1,868,565
Amounts due from joint ventures		**229,101**	—
Amounts due from customers for contract works		**1,249,435**	143,361
Prepaid taxation		**512,156**	205,499
Available-for-sale financial assets		**24,000**	41,000
Term deposits		**3,677,169**	1,021,799
Restricted cash		**907,034**	74,458
Cash and cash equivalents		**11,525,557**	2,742,466
		89,415,260	30,737,465
Total assets		**98,906,916**	34,796,870
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital	10	**12**	—
Share premium	10	**2,485,669**	989,745
Other reserves		**4,984,837**	3,312,777
		7,470,518	4,302,522
Non-controlling interests		**12,386,271**	770,210
Perpetual Capital Instruments		**3,232,533**	—
Total equity		**23,089,322**	5,072,732

	Note	As at 31 December **2016** *RMB'000*	2015 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	11	**31,683,744**	6,926,063
Deferred income tax liabilities		**1,479,533**	—
		33,163,277	6,926,063
Current liabilities			
Trade and other payables	12	**10,947,247**	2,273,632
Amounts due to a joint venture and other related parties		**1,474,137**	265,007
Pre-sale proceeds received from customers		**20,968,395**	10,083,124
Current income tax liabilities		**1,531,018**	729,812
Borrowings	11	**7,733,520**	9,446,500
		42,654,317	22,798,075
Total liabilities		**75,817,594**	29,724,138
Total equity and liabilities		**98,906,916**	34,796,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**").

The Company's shares were listed on the Stock Exchange on 13 January 2016 (the "**Listing Date**").

These consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of the Company on 20 March 2017.

2 Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have 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) New standards and amendments to standards adopted by the Group from 1 January 2016.

The following new standards and amendments to standards are mandatory for the Group's financial year beginning on 1 January 2016. The adoption of these new standards and amendments to standards does not have any significant impact to the results and financial position of the Group.

HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: applying the consolidation exception
HKAS 27 (Amendment)	Equity method in separate financial statements
Annual improvements 2014	Annual improvements 2012–2014 cycle
HKAS 1 (Amendment)	Disclosure initiative
HKFRS 14	Regulatory deferral accounts
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants

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

HKAS 12 (Amendments)	Recognition of deferred tax assets for unrealised losses[1]
HKAS 7 (Amendments)	Changes in liabilities arising from financial activities[1]
HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKAS 2 (Amendments)	Classification and measurement of share-based payment transactions[2]
HKFRS 16	Leases[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture[4]

1 Effective for annual periods beginning on or after 1 January 2017.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective for annual periods beginning on or after 1 January 2019.
4 Effective date to be determined

The Group is in the process of assessing the impact of the above new standards and amendments to standards.

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 2016 (31 December 2015: same).

As at 31 December 2016, all of non-current assets of the Group were located in the PRC (31 December 2015: 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 2016 (2015: same).

4 Revenue

Revenue of the Group for the year ended 31 December 2016 is as follow:

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Revenue from sales of properties	**11,113,869**	7,326,711
Revenue from construction contracts	**178,290**	87,865
Rental income and others	**79,504**	—
	11,371,663	7,414,576

5 Finance income/(costs), net

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Finance income		
— Interest income from bank deposits	**60,210**	11,037
— Net foreign exchange gains	**71,336**	52,663
	131,546	63,700
Finance costs		
— Interest of borrowings	**(2,245,043)**	(2,066,887)
— Finance costs on derecognition of amounts due from joint ventures and an associate	**—**	(74,876)
— Less: capitalised interest	**2,238,860**	2,066,887
	(6,183)	(74,876)
Finance income/(costs), net	**125,363**	(11,176)

6 Income tax expenses

	Year ended 31 December	
	2016	2015
	RMB'000	*RMB'000*
Current income tax:		
PRC corporate income tax	**418,185**	411,919
Land appreciation tax ("**LAT**")	**417,522**	663,048
	835,707	1,074,967
Deferred income tax	**31,193**	(16,870)
	866,900	1,058,097

Hong Kong profits tax

The applicable Hong Kong profit tax rate is 16.5% for the year ended 31 December 2016 (2015: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit subject to Hong Kong profit tax for the year ended 31 December 2016 (2015: nil)

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 2015 and 2016, 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 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 2015 and 2016. In determining the weighted average number of ordinary shares in issue, 100 shares issued during the reorganisation of the Group for the preparation of the listing of the Company and 1,012,499,000 shares issued by way of capitalisation were deemed to have been issued since 1 January 2015.

	Year ended 31 December	
	2016	2015
Profit attributable to owners of the Company (RMB'000)	**1,292,339**	1,432,813
Weighted average number of shares in issue	**1,341,078,000**	1,012,499,175
Basic and diluted earnings per share (RMB per share)	**0.96**	1.42

The Company did not have any dilutive potential ordinary shares outstanding for the year ended 31 December 2016 (2015: same). Diluted earnings per share is equal to basic earnings per share.

8 Dividend

The directors of the Company did not recommend the payment of any dividend for the year ended 31 December 2016 (2015: same).

9 Trade and other receivables and prepayments

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Trade receivables (Note (a))	**109,051**	26,804
Notes receivable	**1,305**	—
Other receivables		
— Amounts due from minority shareholders	**1,351,105**	—
— Bidding deposits for acquisition of land use rights	**40,000**	181,880
— Deposits for construction contracts	**64,545**	98,482
— Receivables from local governments	**440,845**	66,627
— Others	**417,740**	59,370
	2,314,235	406,359
Prepayments		
— Prepayments for acquisition of land use rights	**28,897,965**	1,061,285
— Prepaid value added tax, business taxes and other taxes	**763,305**	345,472
— Others	**17,464**	28,645
	29,678,734	1,435,402
	32,103,325	1,868,565

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

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Within one year	**82,856**	23,708
Over one year	**26,195**	3,096
	109,051	26,804

10 Share capital and share premium

	Number of ordinary shares	Nominal value of ordinary shares *HK$*	Equivalent nominal value of ordinary shares *RMB'000*	Share premium *RMB'000*	Total *RMB'000*
At 1 January 2015	100	0.001	—	—	—
Capital injection from the then shareholder of the Company (Note (a))	900	0.009	—	989,745	989,745
At 31 December 2015	1,000	0.01	—	989,745	989,745
At 1 January 2016	**1,000**	**0.01**	**—**	**989,745**	**989,745**
Issue of shares in connection with the capitalisation issue (Note (b))	**1,012,499,000**	**10,125**	**9**	**(9)**	**—**
Issue of shares in connection with the Company's listing (Note (c))	**339,848,000**	**3,398**	**3**	**1,540,694**	**1,540,697**
Share issuance costs (Note (c))	**—**	**—**	**—**	**(44,761)**	**(44,761)**
At 31 December 2016	**1,352,348,000**	**13,523**	**12**	**2,485,669**	**2,485,681**

The authorised share capital of the Company as at 31 December 2015 and 2016 was HK$380,000 divided into 38,000,000,000 shares.

(a) Capital injection

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

(b) 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.

(c) Issue of shares in connection with the Company's listing

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 completion of the initial public 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 was increased to 1,352,348,000 shares upon completion of the capitalisation issue, the initial public offering and exercise of over-allotment option.

Share issuance costs of RMB44,761,000 that were directly attributable the issuance of ordinary shares in connection with the initial public offering and the exercise of over-allotment option was treated as a deduction from share premium.

11 Borrowings

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Borrowings included in non-current liabilities:		
Bank borrowings — secured	**6,246,252**	1,622,000
Other borrowings — secured	**17,322,660**	10,779,100
— made by entrusted banks	**16,240,500**	8,448,000
— made by financial institutions directly	**1,082,160**	2,331,100
Asset-backed securities	**827,200**	—
Public Corporate Bonds — unsecured	**2,453,928**	1,171,463
Private Corporate Bonds — unsecured	**8,407,269**	—
Senior Notes — unsecured	**1,178,955**	—
Less: current portion of non-current borrowings	**(4,752,520)**	(6,646,500)
	31,683,744	6,926,063
Borrowings included in current liabilities:		
Bank borrowings — secured	**200,000**	—
Other borrowings — secured	**2,781,000**	2,800,000
— made by entrusted banks	**1,890,000**	—
— made by financial institutions directly	**891,000**	2,800,000
Current portion of non-current borrowings	**4,752,520**	6,646,500
	7,733,520	9,446,500
Total borrowings	**39,417,264**	16,372,563

12 Trade and other payables

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Trade payables (Note a)	**3,661,156**	1,640,102
Amounts due to minority shareholders	**5,184,526**	—
Interests payable	**551,124**	61,988
Amounts due to a trust company	**388,639**	—
Notes payable	**323,891**	—
Other taxes payable	**223,926**	17,537
Deposits from contractors and suppliers	**204,441**	125,282
Accrued payroll	**103,236**	78,124
Deposits received for sales of properties	**95,372**	252,607
Others	**210,936**	97,992
	10,947,247	2,273,632

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

	As at 31 December	
	2016	2015
	RMB'000	*RMB'000*
Within one year	**1,765,614**	1,037,255
Over one year	**1,895,542**	602,847
	3,661,156	1,640,102

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present to you the annual results of the Group for the year ended 31 December 2016.

Market Review

During the past year, the Chinese government continuously tightened property control measures, including a shift from credit easing policies and preferential tax treatment at the beginning of the year to restrictions on property purchases and mortgage loans in the first-tier cities towards the end of the year. Various parts of China adopted increasingly stringent financial and market regulations on the property industry. With a view to “cutting excess inventory”, local governments implemented a strategy of “formulating policies according to cities” to cut property inventories and continued to address the imbalance between the “high housing price in the first-tier and second-tier cities” and “high inventories in the third-tier and fourth-tier cities”, thus promoting stable and healthy development of the property market. According to the 100 city price index of the China Real Estate Index System, although the housing prices of popular cities in 2016 increased significantly, the growth of the property market tended to be stable following the tightened regulations in the fourth quarter. According to the National Bureau of Statistics, the real estate climate index remained at 94 during the year, a relatively moderate level.

In 2016, the Western Taiwan Straits Economic Zone and the Yangtze River Delta, the two regional markets that Ronshine focused on, recorded rapid economic growth. In particular, the Yangtze River Delta, the most economically dynamic region in China, achieved a faster economic growth than the average level in China, and the GDP of Fujian province entered the top 10 in national ranking for the first time. In respect of cutting inventory, the sales cycle of commercial property in Fujian province shortened by nine months as compared with the beginning of last year, demonstrating that initial success was achieved in structural reform on the supply side. During the year, Ronshine won the bid for several quality land parcels located in the prime areas of Shanghai and Hangzhou. Its precise market blueprint laid a solid foundation for the business expansion and performance growth of Ronshine.

BUSINESS REVIEW

The year of 2016 was the first year for Ronshine to enter the international capital market. With years of sound development, the shares of Ronshine were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 January 2016 (the "**Listing Date**"), making Ronshine the first property company in mainland China listed in Hong Kong in 2016. During the first year after its successful listing, Ronshine was widely recognised by the property industry and the capital market for its sound performance and promising development prospects. In July 2016, the credit rating of Rongxin (Fujian) Investment Company Limited ("**Rongxin Group**"), the principal operating entity of the Group established in China, was adjusted to "AA+" by United Credit Rating Co., Ltd. (聯合信用評級有限公司). The Company was chosen by the "MSCI Global Small Cap Indexes" and "China and the Hong Kong Hang Seng Composite SmallCap Index", two top indexes in the international and Hong Kong markets, as one of their constituents. The Company was also included in the eligible list after the launch of "Shenzhen-Hong Kong Stock Connect", attracting continuous attention from investors.

The year of 2016 was also the first year for Ronshine to expand across China. Progress was made by Ronshine in transforming from a regional property company rooted in Fujian province to a national property company. Ronshine continued to consolidate its leading position in the Western Taiwan Straits Economic Zone including Fuzhou, Xiamen and Zhangzhou, and increase its competitive advantages in the two important economic hubs, Shanghai and Hangzhou in the Yangtze River Delta. According to the 2016 Property Enterprise Sales Top 10 in Greater Fuzhou Area (2016年度大福州房地產企業銷售排行榜) issued by the CRIC Research Center, an authoritative research institution in Chinese real estate industry, Ronshine ranked the first in the Greater Fuzhou area, the first for office building projects in Xiamen, the first in Zhangzhou, and the fifth in Hangzhou, in terms of the total gross floor area sold in 2016. In 2016, the contracted sales of the Group amounted to RMB24.6 billion with a sharp year-on-year increase of 107%. The revenue of the Group amounted to approximately RMB11.4 billion with a significant year-on-year increase of approximately 53%. During the year, the Group continued to optimise its debt structure though issuing corporate bonds and asset-backed securities which are backed by the account receivables for balance payment of properties sold in China and USD-denominated senior notes overseas. Due to sound business operation and diversified financing channels, the gearing ratio of the Group decreased significantly from 247% for the year 2015 to 98% for the year 2016.

During the year, Ronshine not only attracted the attention of the property industry and the investors on the Group's business operation and capital market operation, but also gained recognition from society for its star projects and its prestigious brand. During the year, Ronshine officially founded the "Ronshine Sinology" which integrates sinology with community services, with a view to promoting cultural heritage. The project "Ronshine Hangzhou Mansion" (融信 • 杭州公館) carefully restored Hongfeng Park to conserve the history of Hangzhou. Activities organised by the "Ronshine Public Welfare Foundation" were carried out continuously. Bearing its corporate social responsibilities in mind, Ronshine adheres to the philosophy of "taking from society and giving back to society".

Future Prospects

At the Central Economic Working Conference held at the end of 2016, it was determined that the main target of economic growth of 2017 is to achieve a stable improvement. In respect of the property market, the central government requested the acceleration of research and the establishment of fundamental institutions and long-term mechanisms that suit national conditions and adapt to market demands through finance, land, taxation, investment and legislation measures. Also, the smooth progress of new urbanisation, regional integration and reform of the household registration system will create a favourable environment for the long-term development of the property industry.

The Company hope that the property market in China will reposition itself in 2017, and establish a social housing system that makes housing more accessible to residents. Ronshine will continue to cultivate its business in the core areas of the first-tier and second-tier cities and strategically expand to other first-tier and second-tier cities and some third-tier cities with development potential. At the same time, taking into account the fierce competition in the land market of China, Ronshine will further expand its access to land parcels and increase the proportion of land parcels acquired through mergers and acquisitions so as to maintain reasonable land cost while obtaining quality land resources. As at 31 December 2016, Ronshine had abundant high-quality land reserves with a total gross floor area of approximately 10.6 million square meters, approximately 81.16% of which were located in the core areas of the cities with high growth potential such as Shanghai, Hangzhou, Fuzhou and Xiamen.

Meanwhile, the Company will continue to adhere to "building with sincerity and building with love (融鑄誠信、造有情房)" and build landmark products that meet the needs of local markets. By the end of 2016, the Company built a number of landmark projects including "Ronshine Hangzhou Mansion" (融信•杭州公館), "The Twin Harbor City (融信•雙杭城)" and "Ocean City (融信•海上城)". In 2017, we will further upgrade its products to incorporate more elements such as health, technology and environment protection, thus building properties that are better quality and cater better to customer demands.

Looking ahead, Ronshine will stick to a prudent and sound operational strategy while continuing to cultivate its existing markets and strategically expanding its market presence across China. Ronshine will strengthen its management system focusing on profitability management and control, and improve core indicators such as product profitability, cost control capacity and turnover rate. At the same time, Ronshine will further optimise and adjust its debt structure, enhance its financing cost control, improve its asset turnover efficiency and strive to achieve a sustainable development through implementing an asset-light strategy.

Acknowledgements

On behalf of the Board, I hereby express my sincere gratitude to the shareholders and partners for their continued support, and my heartfelt thanks go to the Directors, the management team and all employees for their hard work and contributions in the past years. In 2017, the Company will continue to adhere to its philosophy of "ingenuity creating quality and responsibility reflecting value", achieve sustainable development, and bring higher returns to its shareholders.

Ou Zonghong
Chairman

Hong Kong, 20 March 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of operating results

	For the year ended 31 December		Change in percentage
	2016	2015	
Contracted sales			
Contracted sales amount *(RMB'000)*	**24,639,328**	11,916,926	107 %
Contracted gross floor area *(sq.m)*	**1,403,859**	648,913	116%
Average unit price of contracted sales *(RMB/sq.m)*	**17,551**	18,364	-4%
Property delivered			
Revenue from delivery of properties *(RMB'000)*	**11,113,869**	7,326,711	52%
Delivered gross floor area *(sq.m)*	**772,633**	589,700	31%
Recognised average selling price of properties delivered *(RMB/sq.m)*	**14,384**	12,424	16%
Revenue *(RMB'000)*	**11,371,663**	7,414,576	53%
Cost of Sales *(RMB'000)*	**(9,069,848)**	(4,700,368)	93%
Gross profit *(RMB'000)*	**2,301,815**	2,714,208	-15%
Other income *(RMB'000)*	**11,666**	7,320	59%
Profit before income tax *(RMB'000)*	**2,569,768**	2,464,038	4%
Profit for the period *(RMB'000)*	**1,702,868**	1,405,941	21%
— attributable to owners of the Company *(RMB'000)*	**1,292,339**	1,432,813	-10%
— attributable to non-controlling interests *(RMB'000)*	**308,510**	(26,872)	-1,248%
— attributable to holders of Perpetual Capital Instruments *(RMB'000)*	**102,019**	—	—
Gross profit margin[1]	**20.24%**	36.61%	-16%
Net profit margin[2]	**14.97%**	18.96%	-4%
Interest coverage ratio[3]	**2.22 times**	2.23 times	1%

	As at 31 December		Change in percentage
	2016	2015	
Total assets *(RMB'000)*	**98,906,916**	34,796,870	184%
Total liabilities *(RMB'000)*	**75,817,594**	29,724,138	155%
Total equity *(RMB'000)*	**23,089,322**	5,072,732	355%
Capital and reserve attributable to owners of the Company *(RMB'000)*	**7,470,518**	4,302,522	74%
Current ratio[4]	**2.10 times**	1.35 times	55%
Gearing ratio[5]	**98%**	247%	-60%

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 interest coverage ratio is based on (i) profit before income tax plus interest of bank and other borrowings less finance income and divided by (ii) interest of bank and other borrowings less finance income.

(4) The calculation of current ratio is based on current assets divided by current liabilities.

(5) The calculation of gearing ratio is based on total borrowings less restricted cash, cash and cash equivalents and term deposits divided by total equity.

Property Development

Contracted Sales

For the year ended 31 December 2016, the Group achieved contracted sales of RMB24,639.33 million, representing a growth of approximately 107% compared with RMB11,916.93 million for the year ended 31 December 2015. This increase was mainly attributable to the increase in the total gross floor area ("**GFA**") of the Group's contracted sales by approximately 116% from 648,913 sq.m for the year ended 31 December 2015 to 1,403,859 sq.m for the year ended 31 December 2016.

The amount of the Group's contracted sales in Shanghai, Hangzhou, Fuzhou, Xiamen and Zhangzhou accounted for (i) approximately 9.19%, 33.51%, 36.16%, 6.30% and 14.84% of the Group's total contracted sales amount for the year ended 31 December 2016, respectively, and (ii) approximately 4.75%, 16.03%, 47.15%, 4.74% and 27.33% of the Group's total GFA of contracted sales for the year ended 31 December 2016, respectively. The following table sets forth details of the contracted sales of the Group for the year ended 31 December 2016.

	Amount *(RMB million)*	**Percentage** *(%)*	**GFA** *(sq.m)*	**Percentage** *(%)*	**Average selling price** *(RMB/sq.m)*
Shanghai	2,263.58	9.19	66,723	4.75	33,925
Hangzhou	8,257.08	33.51	224,981	16.03	36,701
Fuzhou	8,909.63	36.16	661,964	47.15	13,459
Xiamen	1,551.60	6.30	66,568	4.74	23,309
Zhangzhou	3,657.44	14.84	383,623	27.33	9,534
Total	**24,639.33**	**100.00**	**1,403,859**	**100.00**	**17,551**

Projects completed

For the year ended 31 December 2016, the Group and its joint ventures had completed a total of 11 projects or phases of projects, with total GFA of 1,987,877 sq.m. (1,297,726 sq.m., after taking into account the interests of the owners of the Company in the relevant projects).

Projects under construction

As at 31 December 2016, the Group and its associated company and joint ventures had a total of 29 projects or phases of projects under construction, with total planned GFA of 7,461,467 sq.m. (4,263,966 sq.m., after taking into account the interests of the owners of the Company in the relevant projects).

Land reserve

During the year ended 31 December 2016, there were a total of 21 newly acquired land parcels with a total GFA of 5,271,244 sq.m. (2,612,276 sq.m., after taking into account the interests of the owners of the Company in the relevant projects). The average cost of land parcels acquired was approximately RMB12,963 per sq.m..

The following table sets forth details of the Group's newly acquired land parcels during the year ended 31 December 2016:

City	Project name	Date of acquisition	Site area *(sq.m)*	Total GFA *(sq.m)*	Total GFA of the owners of the Company interested *(sq.m)*	Land cost *(RMB million)*	Total land cost attributable to the owners of the Company *(RMB million)*	Average land cost *(RMB/sq.m)*
Hangzhou	Legend Mansion (君悦府)	21 January 2016	57,394.00	167,855.10	50,357	673.00	201.90	5,863
Fuzhou	The Bund (平潭外灘)	3 February 2016	35,264.29	155,333.33	79,200	176.50	90.02	1,430
Hangzhou	Yongxing Capital (融信 • 永興首府)	23 February 2016	44,307.00	157,124.80	40,868	1,390.00	361.54	13,076
Hangzhou	Lan Sky (融信 • 瀾天)	17 February 2016	71,488.00	244,592.00	124,742	912.00	465.12	5,739
Shanghai	Platinum (融信鉑爵)	25 February 2016	21,195.60	103,055.00	52,558	980.00	499.80	15,409
Fuzhou	Hot Spring City (福州溫泉城項目)	21 March 2016	1,018,836.00	1,362,219.56	681,110	1,746.00	873.00	1,610
Hangzhou	Xiaoshan Residence (融信 • 蕭山公館)	5 April 2016	41,642.00	131,817.40	98,876	1,700.00	1,275.17	18,559
Hangzhou	Seattle (西雅圖)	12 May 2016	62,190.00	240,670.28	120,335	2,595.00	1,297.5	14,905
Hangzhou	Qinglong Project (慶隆地塊)	20 May 2016	27,845.00	117,070.90	59,706	2,361.00	1,204.11	31,404
Xiamen	Xiamen Bowan (廈門同安鉑灣)	3 June 2016	39,715.25	185,558.66	185,558	2,634.00	2,634.00	23,207
Hangzhou	Jingkai Project (經開地塊)	15 June 2016	42,709.00	166,196.62	43,211	1,709.00	444.34	16,002
Hangzhou	Yinhe Primary School Project (銀河小學地塊)	20 June 2016	43,686.00	189,849.60	96,823	1,812.00	924.12	13,822
Hangzhou	Hangzhou Wocheng Project (杭州臥城地塊)	4 July 2016	59,494.00	207,246.76	70,464	732.10	248.91	5,113
Hangzhou	Qianjiang Century City Project (錢江世紀城地塊)	6 July 2016	60,620.00	244,413.00	171,089	3,264.00	2,284.80	19,230
Kunshan	Kunshan Project (昆山(2016) 2–4 地塊)	15 July 2016	76,671.70	280,319.55	140,160	2,703.44	1,351.72	13,573
Shanghai	Xinjiangwan City (新江灣城)	29 July 2016	39,805.80	61,098.70	30,549	3,155.00	1,577.50	52,840
Shanghai	Shanghai Qingpu Lot (青浦 36-01 地塊)	3 August 2016	36,279.00	161,959.90	49,404	1,960.00	597.88	21,610
Fuzhou	Huayun Mansion (華雲山莊)	16 August 2016	161,008.40	258,248.00	65,853	576.01	146.88	3,300
Shanghai	Shanghai Jingan Zhongxin Lot (靜安中興地塊)	17 August 2016	31,034.10	149,836.40	74,918	11,010.00	5,505.00	100,091
Nangjing	Nanjing Xianlin Project (南京仙林 2016G58 地塊)	23 September 2016	106,002.49	335,078.73	130,284	5,820.00	2,262.90	24,957
Nangjing	Nanjing Jiulonghu Project (南京九龍湖 NO.2016G73 地塊)	17 November 2016	42,707.52	351,699.72	246,190	537.00	375.90	2,515
Total			**2,119,895.15**	**5,271,244.01**	**2,612,276**	**48,446.05**	**24,622.11**	**12,963**

As at 31 December 2016, the total GFA of the Group's land reserve was approximately 10.58 million sq.m, among which, approximately 7.46 million sq.m were under construction, and approximately 3.12 million sq.m were held for future development.

As at 31 December 2016, the cost per sq.m of the Group's land reserve was RMB8,650, of which, approximately 81.16% was located in the prime area in the first-tier and second-tier cities in the PRC. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its future profitability.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 31 December 2016:

Region	**Name of project**	**Total land value** *(RMB'0,000)*	**Total GFA of reserve** *(10,000 sq.m)*	**Average cost per sq.m** *(RMB/sq.m)*
Shanghai	Shanghai Xujing Project (Kaitai) (徐涇鎮會展中心 3 地塊 (凱泰))	217,585.16	39.14	8,539
	Shanghai Huacao Lot II (Kairi)(閔行區華漕鎮 MHPO-1402 單元 35-01 地塊 (愷日))	10,110.00	2.41	6,018[(1)]
	Shanghai Huacao Lot III (Kaichong) (閔行區華漕鎮 MHPO-1402 單元 36-01 地塊 (愷崇))	4,192.50	0.94	6,098[(1)]
	Shanghai Huacao Lot IV (Kaichang)(閔行區華漕鎮 MHPO-1402 單元 42-01 地塊 (愷暢))	23,580.00	5.34	6,101[(1)]
	Platinum (融信 • 鉑爵)	49,980.00	5.26	15,409
	Xinjiangwan City (新江灣城)	157,750.00	3.05	52,840
	Shanghai Qingpu Lot (青浦 36-01 地塊)	59,788.04	4.94	21,610
	Shanghai Jingan Zhongxin Lot (靜安中興地塊)	550,500.00	7.49	100,091
Hangzhou	Blue Peacock Phase 1 (杭州藍孔雀一期)	64,260.00	6.39	13,953
	Blue Peacock Phase 2 (杭州藍孔雀二期)	112,200.00	10.75	14,966
	Hangzhou Normal University Project (杭州師大地塊)	338,437.00	22.91	25,717
	Gentle Mansion (君悅府)	20,190.00	5.04	5,863
	Lan Sky (融信 • 瀾天)	46,512.00	12.47	5,739
	Yongxing Capital (融信 • 永興首府)	36,153.90	4.09	13,076
	Xiaoshan Residence (融信 • 蕭山公館)	127,517.00	9.89	18,559
	Seattle 西雅圖	129,750.00	12.98	14,905
	Jingkai Project (經開地塊)	44,434.00	4.32	16,002
	Yinhe Primary School Project (銀河小學地塊)	92,412.00	9.68	13,822
	Hangzhou Wocheng Project (杭州臥城地塊)	24,891.00	7.05	5,113
	Qianjiang Century City Project (錢江世紀城地塊)	228,480.00	17.11	19,230
	Qinglong Project (慶隆地塊)	120,411.00	5.97	31,404
Fuzhou	The Twin Harbor City (融信 • 雙杭城)	562,000.00	111.13	6,065
	The White House (融信 • 白宮)	10,668.81	3.51	3,584
	Pingtan David City (融信 • 平潭大衛城)	14,940.84	8.26	2,341
	The Long Island (融信 • 長島)	130,000.00	44.82	2,437
	The Bund (平潭外灘)	9,001.50	7.92	1,430
	Hot Spring City (福州溫泉城項目)	87,300.00	65.98	1,610[(1)]
	Huayun Mansion (華雲山莊)	14,688.14	6.59	3,300
Xiamen	Xiamen Bowan (廈門同安鉑灣)	263,400.00	18.56	23,207
Zhangzhou	Future City (融信 • 未來城)	30,000.00	16.04	2,573
	Festival City (融信 • 觀山海：漳州港又一城)	31,951.00	13.97	1,549
	Imperial Land (一品江山：海融一號作品)	26,000.00	15.82	2,206
	Zhangzhou Wanke City (漳州萬科城)	30,080.00	20.80	1,773
	College City (漳州港 B6: 學院名築)	57,800.00	18.10	4,059
	Zhangzhou Harbor B8 Lot (漳州港 B8: 半山雅墅)	51,800.00	14.36	4,868
Nanjing	Nanjing Xianlin Project (南京仙林 2016G58 地塊)	226,290.33	13.03	24,957
	Nanjing Jiulonghu Project (南京九龍湖 NO.2016G73 地塊)	37,590.00	24.62	2,515
Kunshan	Kunshan Project (昆山 (2016)2–4 地塊)	135,172.21	14.02	13,573
Total		**4,177,816.43**	**614.74**	**8,650**

Note:

(1) This represents the original land costs of these projects only, and did not reflect the fair value increase that had been recognised upon acquisitions or consolidations by the Group during the year ended 31 December 2016.

Financial review

Revenue

The Group's revenue increased by approximately 53% from RMB7,414.58 million for the year ended 31 December 2015 to RMB11,371.66 million for the year ended 31 December 2016. The Group derived its revenue primarily from (i) the sales of properties in the PRC; (ii) certain construction contracts with local PRC governments with respect to the construction of resettlement housing and (iii) the rental income generated from the lease of investment properties.

The following table sets forth the details of the Group's revenue recognised from such sources for the period indicated:

	For the year ended 31 December		
	2016	2015	Change in percentage
	RMB'000	*RMB'000*	
Revenue			
Sales of properties	**11,113,869**	7,326,711	52%
Construction contracts[(1)]	**178,290**	87,865	103%
Rental income and others[(2)]	**79,504**	—	N/A
Total	**11,371,663**	7,414,576	53%

Notes:

(1) The Group cooperated or agreed to cooperate with local governments in constructing resettlement housing units adjacent to certain projects 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 the 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" on pages 231 to 236 in the Prospectus.

(2) The Group generated rental income from a shopping mall held by Fuzhou Shiou Property Development Company Limited ("**Shiou Property**", together with its subsidiaries, the "**Shiou Group**").

The revenue of the Group increased by approximately 53% from RMB7,414.6 million for the year ended 31 December 2015 to RMB11,371.7 million for the year ended 31 December 2016. This increase was mainly attributable to:

(i) the increase in the total GFA of properties delivered by the Group by approximately 31% from 589,700 sq.m for the year ended 31 December 2015 to 772,633 sq.m for the year ended 31 December 2016;

(ii) the increase in the recognised average selling price of properties delivered by the Group by approximately 16% from RMB12,424 per sq.m for the year ended 31 December 2015 to RMB14,384 per sq.m for the year ended 31 December 2016;

(iii) the increase in revenue generated from construction contracts by approximately 102.8% from RMB87.9 million for the year ended 31 December 2015 to RMB178.3 million for the year ended 31 December 2016; and

(iv) the recognition of a rental income of RMB77,224 million for the year ended 31 December 2016, which income was generated from a shopping mall held by Shiou Group.

Revenue generated from the sales of properties amounted to RMB11,113.87 million for the year ended 31 December 2016. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the year ended 31 December 2016:

	For the year ended 31 December					
	2016			2015		
	Revenue *(RMB million)*	**GFA delivered by the Group** *(sq.m)*	**Average selling price** *(RMB/sq.m)*	Revenue *(RMB million)*	GFA delivered by the Group *(sq.m)*	Average selling price *(RMB/sq.m)*
Shanghai	**2,671**	**114,940**	**23,236**	—	—	—
Fuzhou	**5,983**	**475,150**	**12,591**	1,731	116,830	14,820
Xiamen	**1,628**	**75,332**	**21,593**	3,158	183,435	17,217
Zhangzhou	**834**	**107,211**	**7,779**	2,437	289,435	8,420
Total	**11,114**	**772,633**	**14,384**	7,327	589,700	12,424

Cost of sales

The Group's cost of sales increased by approximately 92.96% from RMB4,700.4 million for the year ended 31 December 2015 to RMB9,069.8 million for the year ended 31 December 2016. This increase was mainly attributable to the increase in the number of properties sold by the Group during the year ended 31 December 2016.

The following table sets forth the details of the Group's cost of sales for the period indicated:

	For the year ended 31 December		
	2016 *RMB'000*	2015 *RMB'000*	Change in percentage
Cost of sales			
Cost of properties sold	**8,890,362**	4,616,208	92.59%
Cost of construction contracts	**169,147**	84,160	100.98%
Cost of rental income and others	**10,332**	—	N/A
Total	**9,069,848**	4,700,368	92.96%

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 15% from RMB2,714.2 million for the year ended 31 December 2015 to RMB2,301.8 million for the year ended 31 December 2016.

The Group's gross profit margin decreased from 36.6% for the year ended 31 December 2015 to 20.2% for the year ended 31 December 2016, primarily because the Group delivered proportionally more properties at comparatively lower profit margins in 2016 as compared to the properties which the Group delivered in 2015.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) advertisement expenses; (iii) office and travel expenses; (iv) property management fees; and (v) others costs including vehicle use fee, depreciation, amortisation and other miscellaneous fees and expenses.

The Group's selling and marketing costs increased by approximately 19.59% from RMB395.8 million for the year ended 31 December 2015 to RMB473.4 million for the year ended 31 December 2016, primarily due to increases in marketing expenses and the number of the sales staff of the Group as a result of increased sales activities.

Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) other taxes; (iii) listing expenses; (iv) office and travel expenses; (v) entertainment expenses; (vi) audit fees; (vii) office lease expenses; (viii) depreciation and amortisation; and (xi) others.

The Group's administrative expenses increased by approximately 75% from RMB273.0 million for the year ended 31 December 2015 to RMB477.9 million for the year ended 31 December 2016, mainly attributable to (i) increases in the number of administrative staff due to the increase in the number of new projects and project under construction of the Group and (ii) the significant increase in donation by approximately 783% from RMB12.7 million for the year ended 31 December 2015 to RMB112.2 million for the year ended 31 December 2016.

Fair value gains on the re-measurement of joint ventures

Due to the consolidation of the financial results of Shiou Group and certain joint ventures with Greenland Property Group Company Limited ("**Greenland Group**") for the property development projects in Huacao, Minhang District, Shanghai, namely Shanghai Kaiyu Property Development Co., Ltd ("**Shanghai Kaiyu**"), Shanghai Kairi Property Development Co., Ltd. ("**Shanghai Kairi**"), Shanghai Kaichang Property Development Co., Ltd. ("**Shanghai Kaichang**") and Shanghai Kaichong Property Development Co., Ltd. ("**Shanghai Kaichong**", together with Shanghai Kaiyu, Shanghai Kairi and Shanghai Kaichang, the "**Huacao Joint Ventures**"), the Group recorded a fair value gains on the re-measurement of joint ventures of RMB278.1 million. The following table sets forth the breakdown of these fair value gains for the year ended 31 December 2016:

	For the year ended 31 December 2016 *(RMB'000)*
Shiou Group	201,810
Huacao Joint Venture	76,264
	278,074

For further details, please refer to the paragraph headed " — Consolidation of the financial results of certain joint ventures" below.

Fair value gains on investment properties

The fair value gains on investment properties for the year ended 31 December 2016 mainly attributable to the investment properties of Shiou Group and Shanghai Kaiyu amounted to RMB169.0 million and RMB192.0 million, respectively.

Other income

The Group's other income primarily includes (i) gains from certain cash management products; and (ii) deposits forfeited from some of the Group's prospective customers who breached the relevant property purchase agreements. The Group's other income increased from RMB7.3 million for the year ended 31 December 2015 to RMB11.7 million for the year ended 31 December 2016.

Operating profit

The Group's operating profit for the year of 2016 remained relatively stable and amounted to approximately RMB2,001.3 million (2015: approximately RMB2,052.7 million).

Finance income/(cost), net

Finance income primarily consists of interest income from bank deposits and foreign exchange gains. The Group recorded a net finance income of RMB125.4 million for the year ended 31 December 2016, compare to a net finance costs of RMB11.2 million for the year ended 31 December 2015 primarily due to (i) increases in interest income generated from the bank deposits of the Group; (ii) increases in foreign exchange gains; and (iii) decrease on the finance costs resulting from the decrease of finance costs on derecognition of amounts due from joint ventures and an associate.

Profit before income tax

As a result of the aforementioned changes of the Group's financials, the Group's profit before income tax increased by approximately 4.3% from RMB2,464.0 million for the year ended 31 December 2015 to RMB2,569.8 million for the year ended 31 December 2016.

Income tax expenses

The Group's income tax expenses comprise provisions made for corporate income tax ("**CIT**") (including deferred income tax) and land appreciation tax ("**LAT**") in the PRC.

The Group's income tax expenses decreased by approximately 18% from RMB1,058.1 million for the year ended 31 December 2015 to RMB866.9 million for the year ended 31 December 2016. Specifically, CIT (including deferred income tax) increased by approximately 13.8% from RMB395.0 million for the year ended 31 December 2015 to RMB449.4 million for the year ended 31 December 2016, and LAT decreased by approximately 37.0% from RMB663.1 million for the year ended 31 December 2015 to RMB417.5 million for the year ended 31 December 2016.

Financing activities

Use of proceeds from initial public offering

On 13 January 2016, the Company issued 337,500,000 shares at an offer price of HK$5.36 per share on the Stock Exchange by global offering. On 28 January 2016, the Company further issued 2,348,000 shares pursuant to the partial exercise of the over-allotment option at an offer price of HK$5.36 per share. Upon completion of the global offering, the Company raised net proceeds of approximately HK$1,780 million.

The Group did not utilise any portion of the net proceeds as at the date of this announcement. The net proceeds are currently held in bank deposits and it is intended that they will be applied in the manner consistent with the proposed allocations in the prospectus.

Issuance of Senior Notes

On 8 December 2016, the Company issued senior notes in the aggregated principal amount of US$175,000,000 due in 2019 (the "**Original Notes**") on Singapore Exchange Securities Trading Limited, with an interest rate of 6.95% per annum payable semi-annually in arrears. Subsequently on 14 February 2017, the Company issued additional notes in the aggregate principal amount of U$225,000,000 (to be consolidated and form a single series with the Original Notes) (the "**Additional Notes**"). The maturity date of the Additional Notes (the "**Maturity Date**") is 8 December 2019. At any time and from time to time before the Maturity Date, the Company may at its option redeem the Additional Notes, at a pre-determined redemption price.

The Group did not utilise any portion of the net proceeds from the issuance of the Additional Notes as at the date of this announcement. The net proceeds are currently held in bank deposits and it is intended that they will be applied in the manner consistent with the proposed allocations in the offering memorandum. For more details, please refer to the announcements of the Company dated 2 December 2016 and 15 February 2017 and the relevant offering memorandum.

Issuance of Public and Private Corporate Bonds on the Shanghai Stock Exchange and the Shenzhen Stock Exchange

During the year under review, Rongxin Group, a wholly-owned subsidiary of the Company, issued the following bonds based on the approvals it obtained (i) for the public issuance of corporate bonds on the Shanghai Stock Exchange in an aggregate principal amount of up to RMB2.5 billion (the "**Shanghai Public Corporate Bonds**"); (ii) for the private placement of corporate bonds on the Shenzhen Stock Exchange in an aggregate principal amount of up to RMB3.5 billion (the "**Shenzhen Private Corporate Bonds**"); and (iii) for the private placement of corporate bonds on the Shanghai Stock Exchange in an aggregate principal amount of up to RMB5.0 billion (the "**Shanghai Private Corporate Bonds**", together with Shanghai Public Corporate Bonds and Shenzhen Private Corporate Bonds, the "**Domestic Corporate Bonds**"):

(a) on 19 January 2016, Rongxin Group issued the second tranche of the Shanghai Public Corporate Bonds in an aggregate principal amount of RMB1.3 billion with a 5-year term at a coupon rate of 6.2% per annum. At the maturity of third year, Rongxin Group has an option to adjust the coupon rate, and investors can exercise retractable option;

(b) on 26 January 2016, Rongxin Group issued the first tranche of the Shenzhen Private Corporate Bonds in an aggregate principal amount of RMB3.1 billion with an initial 2-year term at a coupon rate of 7.89% per annum. At the maturity of the second year, the investors have a right to extend the maturity date of the bonds for another two years;

(c) on 18 February 2016, Rongxin Group issued the second tranche of the Shenzhen Private Corporate Bonds in an aggregate principal amount of RMB0.4 billion with an initial 2-year term at a coupon rate of 7.6% per annum. At the maturity of the second year, the investors have a right to extend the maturity date of the bonds for a further two years;

(d) on 21 March 2016, Rongxin Group issued the first tranche of the Shanghai Private Corporate Bonds in an aggregate principal amount of RMB0.5 billion with a 3-year term at a coupon rate of 7.5% per annum. At the maturity of the second year, Rongxin Group has a right to adjust the interest rate of the outstanding bonds, and the bond subscriber has a right to sell all or any part of the outstanding bonds to Rongxin Group at the nominal value;

(e) on 29 April 2016, Rongxin Group issued the second tranche of the Shanghai Private Corporate Bonds in an aggregate principal amount of RMB0.55 billion with a 3-year term at a coupon rate of 7.4% per annum. At the maturity of the second year, the investors have a right to request Rongxin Group to early redeem the second tranche of the Shanghai Private Corporate Bonds;

(f) on 24 June 2016, Rongxin Group issued the third tranche of the Shanghai Private Corporate Bonds in an aggregate principal amount of RMB1.05 billion with a 3-year term at a coupon rate of 7.52% per annum; and

(g) on 29 July 2016, Rongxin Group issued the fourth tranche of the Shanghai Private Corporate Bonds in an aggregate principal amount of RMB2.9 billion with a 3-year term at a coupon rate of 5.8% per annum. At the maturity of the second year, the investors have a right to request Rongxin Group to early redeem the fourth tranche of the Shanghai Private Corporate Bonds.

The proceeds from the above issue of Domestic Corporate Bonds have been used to refinance the Group's existing indebtedness.

As at the date of this announcement, no unissued amounts of the approved amounts of the Domestic Corporate Bonds were outstanding. For further details, please refer to the section headed "Summary and Highlights — Recent Developments — Developments in our Business" in the Prospectus and the announcements of the Company dated 15 January 2016, 17 January 2016, 19 January 2016, 25 January 2016, 26 January 2016, 17 February 2016, 18 February 2016, 18 March 2016, 21 March 2016, 29 April 2016, 24 June 2016 and 29 July 2016.

Issuance of Asset-backed Securities

On 8 July 2016, Rongxin Group issued asset-backed securities in three tranches on the Shanghai Stock Exchange with a principal amount of RMB880.0 million. These securities were backed by the accounts receivable for the balance payment of properties sold by the Group. The proceeds from the issue of the assets-backed securities are expected to be used for general working capital of the Group. For further details, please refer to the announcement of the Company dated 8 July 2016.

Issuance of Perpetual Capital Instruments

The Issuing Amounts and the Holders of the Perpetual Capital Instruments

As at 31 December 2016, four perpetual capital instruments (collectively, the "**Perpetual Capital Instruments**") with an aggregated amount of RMB3,200 million were issued by the subsidiaries of the Company pursuant to the following agreements:

(i) the entrusted fund agreement dated 30 March 2016 and entered into between a securities company in the PRC (the "**Securities Company**"), as investor, Shanghai Qianpo Investment Advisory Company Limited, a wholly-owned subsidiary of the Company incorporated in the PRC ("**Shanghai Qianpo**"), as investee, and a licensed bank in Nanchong City, Sichuan Province ("**Nanchong Bank**"), as entrusted bank (the "**First Entrusted Fund Agreement**") pursuant to which the Securities Company entrusted Nanchong Bank to extend an advancement of up to RMB2,000 million to Shanghai Qianpo. As at 31 December 2016, the Securities Company advanced an aggregate of RMB200 million to Shanghai Qianpo through this arrangement;

(ii) the entrusted fund agreement dated 27 May 2016 and entered into between an asset management company in the PRC (the "**Asset Management Company**"), as investor, Rongxin Group, as investee, and a licensed bank in Shenzhen ("**Shenzhen Bank**") as entrusted bank (the "**Second Entrusted Fund Agreement**") pursuant to which the Asset Management Company entrusted Shenzhen Bank to extend an advancement of up to RMB1,000 million to Rongxin Group. As at 31 December 2016, the Asset Management Company advanced RMB1,000 million to Rongxin Group through this arrangement;

(iii) the trust fund agreement dated 27 June 2016 and entered into between a trust company in the PRC (the "**Trust Company**"), as investor, and Hemei (Shanghai) Property Development Company Limited, a non wholly-owned subsidiary of the Company incorporated in the PRC ("**Hemei Shanghai Property**"), as investee (the "**Trust Fund Agreement**") pursuant to which the Trust Company agreed to extend an advancement of up to RMB500 million to Hemei Shanghai Property. As at 31 December 2016, the Trust Company advanced RMB500 million to Hemei Shanghai Property through this arrangement; and

(iv) the entrusted fund agreement dated 2 December 2016 and entered into between the Asset Management Company, as investor, Rongxin Group, as investee, and the Shenzhen Bank, as entrusted bank (the "**Third Entrusted Fund Agreement**") pursuant to which the Asset Management Company entrusted Shenzhen Bank to extend an advancement of up to RMB1,500 million to Rongxin Group. As at 31 December 2016, the Asset Management Company advanced RMB1,500 million to Rongxin Group through this arrangement.

The proceeds from the above issuances of the Perpetual Capital Instruments shall be used for the general working capital of the Group.

Pursuant to the terms of the Perpetual Capital Instruments, the relevant advancements received by the Group do not have a fixed repayment term or maturity date. The relevant fund repayment and interest payment can be deferred at the discretion of either the relevant investee or the Company. The Directors therefore classified the advancements as perpetual capital instrument.

Each of the Securities Company, the Asset Management Company and the Trust Company is the holder of the respective Perpetual Capital Instruments. To the best of the knowledge, information and belief of the Directors, upon reasonable enquiries having made, each of the Securities Company, the Asset Management Company and the Trust Company is independent to the Company and its connected persons.

Future plan of the Perpetual Capital Instruments

As at the date of this announcement, the Company does not have any intention to (i) repay all or any part of the advancements received under the Perpetual Capital Instruments; and (ii) issue any new perpetual capital instrument.

Liquidity and financial resources

As at 31 December 2016, the Group's net current assets amounted to RMB46,760.9 million (2015: RMB7,939.4 million). Specifically, the Group's total current assets increased by approximately 190.9% from RMB30,737.4 million as at 31 December 2015 to RMB89,415.3 million as at 31 December 2016. The Group's total current liabilities increased by approximately 87.1% from RMB22,798.1 million as at 31 December 2015 to RMB42,654.3 million as at 31 December 2016. The increase in the Group's total current assets was primarily attributable to (i) increases in bidding deposits and prepayments for acquisition of land use rights by approximately 2,227.7% from RMB1,243.2 million as at 31 December 2015 to RMB28,938.0 million as at 31 December 2016 due to the acquisition of 14 land parcels located in first-tier and second-tier cities including Shanghai, Nanjing, Suzhou, Hangzhou, Fuzhou and Xiamen; and (ii) increases in total completed properties held for sale and properties under development by approximately 59.0% from

RMB24,640.3 million as at 31 December 2015 to RMB39,187.5 million as at 31 December 2016; and (iii) the increase in total cash and cash equivalents, restricted cash and term deposits by 319.7% from RMB3,838.7 million as at 31 December 2015 to RMB16,109.8 million as at 31 December 2016.

As at 31 December 2016, the Group had bank deposits (including term deposits, restricted cash, and cash and cash equivalents) of RMB16,749.8 million (2015: RMB3,838.7 million), total borrowings of RMB39,417.3 million (2015: RMB16,372.6 million) and a weighted average effective interest rate for outstanding borrowings of approximately 6.8% (including bank borrowings, trust and other borrowings, the Domestic Corporate Bonds, Senior Note and asset-backed securities) (2015: approximately 10.5%).

As at 31 December 2016, the aggregated issued amount of the Domestic Corporate Bonds was RMB10,861.2 million, representing approximately 27.6% of the total borrowings of the Group.

Pledge of assets

As at 31 December 2016, the Group's bank and other borrowings were secured by the Group's assets of RMB30,495.6 million (2015: RMB15,038.7 million), which include (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash and (vi) investment property. Certain other borrowings were also secured by the equity interests of certain subsidiaries.

Contingent liabilities

The Group's contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group's properties. These purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to RMB17,049.6 million as at 31 December 2016 (31 December 2015: RMB6,412.9 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

Current ratio

As at 31 December 2016, the current ratio of the Group was 2.10 times (31 December 2015: 1.35 times). The increase in the Group's current ratio was mainly attributable to the Group's expansion with increased development projects.

Gearing ratio

As at 31 December 2016, the gearing ratio of the Group was 98% (2015: 247%). The improvement of the Group's gearing ratio was mainly attributable to the Group's effort on managing its gearing level including, among others, (i) the increases in net assets as a result of the initial public offering of the Company and capital contributions from strategic investors; (ii) increases in revenue and net profit for the year ended 31 December 2016; (iii) increases in non-controlling interests resulting mainly from the change of certain joint ventures of the Group to subsidiaries and capital injections from non-controlling interests; and (iv) issuance of perpetual capital instruments issued by the Group during the year. 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

Save for the consolidations as detailed in the section headed "Management Discussion and Analysis — Consolidation of the financial results of certain joint ventures" below, the Group has no other material acquisitions and disposals of subsidiaries, associates and joint ventures during the period under review. The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in the first-tier and second-tier cities in China. No concrete plan for future investments is in place as at the date of this announcement.

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 pays 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

Save as disclosed below, during the year ended 31 December 2016, the Group did not perform any material acquisition or disposal of subsidiaries and associated companies.

Deemed disposal

On 30 March 2016, the shareholders of Rongxin (Fuzhou) Property Company Limited ("**Fuzhou Property**"), a non-wholly owned subsidiary of the Company, resolved to increase the registered capital of Fuzhou Property from RMB166,666,700 to RMB189,583,300 whereby Fuzhou Wuyuan Ecological Agriculture Development Company Limited ("**Fuzhou Wuyuan**"), an independent third party, agreed to contribute RMB510,000,000 in cash on or before 31 March 2016 for subscribing for the additional equity interests of Fuzhou Property. An amount of RMB379,721,000 will be credited to the capital reserve of the Group as a result of this subscription. Following this subscription, the equity interests of Rongxin Group in Fuzhou Property will be diluted from 91% to 80%, and the equity interests of Fuzhou Wuyuan in Fuzhou Property will be increased from 9% to 20%, which gives rise to the deemed disposal pursuant to Rule 14.29 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Upon completion of this subscription, Fuzhou Property will continue to be consolidated as a non-wholly owned subsidiary of the Company, and the results of operations and financial position of Fuzhou Property will continue to be recorded in the Group's consolidated financial statements. For further details, please refer to the announcement of the Company dated 30 March 2016.

CONSOLIDATION OF THE FINANCIAL RESULTS OF CERTAIN JOINT VENTURES

Consolidation of the financial results of Shiou Group

Background

Shiou Group is primarily engaged in the development and management of certain property development projects in Fuzhou, namely Riverside City, Beyond City, Lan Hill and Show Kingdom. Historically, Shiou Group was accounted for as a joint venture of the Group and owned as to 50% by Rongxin Group, a wholly owned subsidiary of the Company, and 50% by a real estate developer. On 15 March 2016, the real estate developer transferred its 50% equity interests in Shiou Group to an independent third party, a company established in the PRC and principally engaged in property investment in the PRC (the "**Investor**"). To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the independent third party and its ultimate beneficial owner are independent of the Company and its connected persons. As the Investor does not have sufficient experience in managing PRC property development projects, in view of the Group's historical performance on managing Shiou Group and in order to enhance the business efficiency of Shiou Group, the Investor is willing to become a passive investor and passed the controlling rights of Shiou Group to Rongxin Group in March 2016.

In accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), Shiou Group has therefore been reclassified from a joint venture of the Group to a subsidiary of the Group (the "**Shiou Reclassification**"), and its results of operations and financial position have therefore been recorded in the Group's consolidated financial statements since the date when the Group obtained the control. The Group's 50% equity interests in Shiou Group remained unchanged.

Financial impact of the consolidation

Prior to the Shiou Reclassification, Shiou Group was accounted for as a 50% owned joint venture of the Company, and the Company's share of Shiou Group's results of operations were initially recognised as share of profits of investments accounted for using the equity method. Following the Shiou Reclassification, Shiou Group has been consolidated as a 50% owned subsidiary of the Company, and its results of operations and financial position have been recorded in the Group's consolidated financial information.

As a result of the Shiou Reclassification, the Group recorded fair value gains on the remeasurement of investment in joint ventures of RMB201.8 million, accounting for approximately 8% of the Group's profit before income tax for the year ended 31 December 2016. Such fair value gains were derived from the remeasurement of the Group's interests in Shiou Group due to the Shiou Reclassification, and has been recognised in the consolidated income statements of the Group in accordance with HKFRS.

The Shiou Reclassification was merely a change in accounting treatment with no change in the Group's 50% equity interests in Shiou Group, and the Board is of the view that the consolidation of the results of operations of Shiou Group did not significantly impact the results of operation of the Group for the year ended 31 December 2016.

Consolidation of the financial results of the Huacao Joint Ventures

Background

The Huacao Joint Ventures are primarily engaged in the development and management of certain property development projects in Shanghai, namely Shanghai Huacao Lot I, Shanghai Huacao Lot II, Shanghai Huacao Lot III and Shanghai Huacao Lot IV (the "**Huacao Projects**"). Historically, the Huacao Joint Ventures were accounted for as the Group's joint ventures with Greenland Group, an independent third party which is a company established in the PRC and principally engaged in property development in the PRC.

The development and management of the Huacao Projects were historically led by the Group. In view of the Group's historical performance on managing the Huacao Project and in order to enhance the business efficiency of Huacao Joint Ventures, Greenland Group is willing to become a passive investor and passed its controlling rights in the Huacao Joint Ventures to the Group in March 2016.

In accordance with HKFRS issued by the HKICPA, the Huacao Joint Ventures have therefore been reclassified from the joint ventures of the Group to the subsidiaries of the Group (the "**Huacao Reclassification**"), and their results of operations and financial position have therefore been recorded in the Group's consolidated financial statements since the date when the Group obtained the control. The Group's equity interests in the Huacao Joint Ventures remained unchanged.

Financial impact of the consolidation

Prior to the Huacao Reclassification, the Huacao Joint Ventures were accounted for as the joint ventures of the Company, and the Company's share of Huacao Joint Ventures' results of operations were initially recognised as share of profits of investments accounted for using the equity method, net. Following the Huacao Reclassification, the Huacao Joint Ventures have been consolidated as the subsidiaries of the Company, and their results of operations and financial position have been recorded in the Group's consolidated financial information.

As a result of the Huacao Reclassification, the Group recorded fair value gains on the remeasurement of investment in joint ventures of RMB76.3 million, accounting for approximately 3% of the Group's profit before income tax for the year ended 31 December 2016. Such fair value gains were derived from the remeasurement of the Group's interests in the Huacao Joint Ventures due to the Huacao Reclassification, and has been recognised in the consolidated income statements of the Group in accordance with HKFRS.

The Huacao Reclassification was merely a change in accounting treatment with no change in the Group's equity interests in each of the Huacao Joint Ventures, and the Board is of the view that the consolidation of the results of operations of the Huacao Joint Ventures did not significantly impact the results of operation of the Group for the year ended 31 December 2016.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2016, the Group employed a total of 1,115 full-time employees (2015: 920 full-time employees). For the year ended 31 December 2016, the staff cost recognised of the Group amounted to RMB393.1 million (2015: RMB237.1 million).

The remuneration policy of the Group is to provide remuneration packages including salary, bonuses and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualifications, 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 rises, bonuses and promotions. 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 a 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. During the year ended 31 December 2016, 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 any final dividend for the year ended 31 December 2016 (2015: Same).

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 Friday, 9 June 2017 (the "**AGM**"), the register of members of the Company will be closed from Monday, 5 June 2017 to Friday, 9 June 2017 (both days inclusive), during which period no transfers of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of share 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 p.m. on Friday, 2 June 2017.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the period from the Listing Date till 31 December 2016, 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 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 their compliance with the required standards set out in the Model Code during the period from the Listing Date till 31 December 2016.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the holders of the shares of the Company and to enhance corporate value and accountability.

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 complied with all applicable code provisions under the Corporate Governance Code throughout the period from the Listing Date till 31 December 2016, 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 separated 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 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 commitee (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) and the Company (www.rongxingroup.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system 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 whom 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 2016.

AUDITOR

The financial figures in the preliminary announcement of Group's results for the year ended 31 December 2016 (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 to the knowledge of the Directors, as at 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) as well as the website of the Company (www.rongxingroup.com). The annual report of the Company for the year ended 31 December 2016 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, 20 March 2017

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.