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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 2023 AND PROPOSED ADOPTION OF THE AMENDED AND RESTATEMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND RESUMPTION OF TRADING

2023 FINANCIAL HIGHLIGHTS

- Contracted sales amounted to approximately RMB16,385.50 million, representing a decrease of approximately 71.69% as compared with the previous year.
- Revenue amounted to approximately RMB44,285.27 million, representing an increase of approximately 47.33% as compared with the previous year.
- Gross profit amounted to approximately RMB1,587.42 million as compared with the gross loss of approximately RMB6,119.57 million in the previous year.
- Loss for the year amounted to approximately RMB6,847.25 million, representing a decrease of approximately 44.96% as compared with the loss for the year of approximately RMB12,439.95 million in the previous year.
- Loss attributable to owners of the Company amounted to approximately RMB5,919.67 million, representing a decrease of approximately 47.31% as compared with the loss attributable to owners of the Company of approximately RMB11,234.84 million in the previous year.
- Gearing ratio increased from 1.07 as at 31 December 2022 to 1.52 as at 31 December 2023.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**” or “**Ronshine**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the year ended 31 December 2023 with comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2023	2022
		RMB'000	RMB'000
Revenue	3	44,285,273	30,059,292
Cost of sales		(42,697,850)	(36,178,859)
Gross profit/(loss)		1,587,423	(6,119,567)
Selling and marketing costs		(577,150)	(971,652)
Administrative expenses		(670,051)	(1,009,598)
Net impairment losses on financial assets		(2,629,907)	(788,322)
Fair value gains/losses on investment properties		96,657	(739,009)
Other income		143,944	164,249
Other losses, net		(964,233)	(1,151,352)
Operating loss		(3,013,317)	(10,615,251)
Finance income	4	76,480	278,389
Finance costs	4	(2,761,620)	(2,089,479)
Finance costs – net	4	(2,685,140)	(1,811,090)
Share of net profit of investments accounted for using the equity method		625,820	514,223
Loss before income tax		(5,072,637)	(11,912,118)
Income tax expense	5	(1,774,611)	(527,832)
Loss for the year		(6,847,248)	(12,439,950)
Loss for the year attributable to:			
– Owners of the Company		(5,919,667)	(11,234,836)
– Non-controlling interests		(927,581)	(1,205,114)
		(6,847,248)	(12,439,950)
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)			
– Basic loss per share	6	(3.52)	(6.67)
– Diluted loss per share	6	(3.52)	(6.67)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(6,847,248)	(12,439,950)
Other comprehensive income	—	—
Total comprehensive loss for the year	<u>(6,847,248)</u>	<u>(12,439,950)</u>
Total comprehensive loss for the year attributable to:		
– Owners of the Company	(5,919,667)	(11,234,836)
– Non-controlling interests	<u>(927,581)</u>	<u>(1,205,114)</u>
	<u>(6,847,248)</u>	<u>(12,439,950)</u>

CONSOLIDATED BALANCE SHEET

	As at 31 December	
<i>Note</i>	2023	2022
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,068,809	1,106,781
Investment properties	12,298,500	12,320,100
Right-of-use assets	386,083	406,304
Intangible assets	1,521	1,774
Investments accounted for using the equity method	7,246,602	5,453,874
Financial assets at fair value through profit or loss	421,241	488,005
Deferred tax assets	699,050	698,415
	<hr/>	<hr/>
Total non-current assets	22,121,806	20,475,253
	<hr/>	<hr/>
Current assets		
Properties under development	48,795,300	94,305,792
Completed properties held for sale	31,372,319	22,654,417
Contract assets	1,184,926	1,321,926
Trade and other receivables and prepayments	27,521,862	27,465,765
Amounts due from related parties	5,031,805	8,340,903
Prepaid taxation	4,780,513	4,698,486
Financial assets at fair value through profit or loss	285,414	425,874
Term deposits	152,700	781,000
Restricted cash	2,672,612	3,974,507
Cash and cash equivalents	3,392,420	4,788,429
	<hr/>	<hr/>
Total current assets	125,189,871	168,757,099
	<hr/>	<hr/>
Total assets	147,311,677	189,232,352
	<hr/>	<hr/>
EQUITY		
Share capital	15	15
Share premium	3,082,681	3,082,681
Other reserves	(2,834,162)	3,104,266
	<hr/>	<hr/>
Equity attributable to owners of the Company	248,534	6,186,962
Non-controlling interests	22,539,493	24,447,557
	<hr/>	<hr/>
Total equity	22,788,027	30,634,519
	<hr/>	<hr/>

	As at 31 December	
<i>Note</i>	2023	2022
	RMB'000	RMB'000
LIABILITIES		
Non-current liabilities		
Borrowings	12,376,157	22,618,556
Lease liabilities	4,233	5,777
Deferred tax liabilities	1,292,097	1,286,684
	<u>13,672,487</u>	<u>23,911,017</u>
Total non-current liabilities		
Current liabilities		
Borrowings	28,452,800	19,785,112
Lease liabilities	10,283	14,189
Contract liabilities	48,589,873	80,638,097
Trade and other payables	21,109,920	21,713,796
Amounts due to related parties	5,626,049	7,075,544
Current tax liabilities	7,062,238	5,460,078
	<u>110,851,163</u>	<u>134,686,816</u>
Total current liabilities		
Total liabilities		
	<u>124,523,650</u>	<u>158,597,833</u>
Total equity and liabilities		
	<u>147,311,677</u>	<u>189,232,352</u>

1 BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (“HKCO”)

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the HKCO.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investment properties, which are measured at fair value.

(c) Going concern basis

For the year ended 31 December 2023, the Group incurred a loss for the year of approximately RMB6,847,248,000. As of 31 December 2023, the Group recorded net current assets of RMB14,338,708,000, and the Group’s current portion of borrowings amounted to RMB28,452,800,000, while its cash and cash equivalents (excluding restricted cash) amounted to RMB3,545,120,000.

Since the second half of 2021, the business environment of China’s real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry’s business environment. At the same time, the outbreak of the COVID-19 pandemic in Shanghai and other cities has brought enormous pressure on the Group’s operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or to obtain cash from external financing to meet its loan repayment obligations. Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group’s operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

As of 31 December 2023, the Company has not paid the principal amounts and interests of the October 2022 notes due 25 October 2022 (ISIN: XS1976760782 and Common Code: 197676078), the January 2023 notes due 22 January 2023 (ISIN:XS2031469732 and Common Code: 203146973), the June 2023 notes due 9 June 2023 (ISIN: XS2090949160 and Common Code: 209094916), the December 2023 notes due 25 December 2023 (ISIN: XS2189303873 and Common Code: 218930387), the August 2024 notes due 5 August 2024 (ISIN: XS2211514885 and Common Code: 221151488) and the January 2025 notes due 25 January 2025 (ISIN: XS2290308845 and Common Code: 229030884). The non-payment mentioned above has resulted in an overdue of the Company’s senior notes with a principal amount of RMB15,850,374,330.

If such non-payment continues, holders of at least 25% of the aggregate principal amount of the relevant outstanding senior notes at that time may, by written notice to the Company or the trustee, require the Company to pay the principal and accrued interest of the relevant outstanding senior notes immediately. As of the date of approval of these consolidated financial statements, the Company has not received any notice regarding accelerated repayment from the relevant trustee or holders of the January 2023 Notes, the June 2023 Notes and the December 2023 Notes, respectively.

In addition, as at 31 December 2023, the Group did not repay certain borrowings of RMB18,249,179,000 according to their scheduled repayment dates. As a result, as at 31 December 2023, borrowings with the aggregate principal amount of RMB22,026,857,000 had become default. Subsequent to 31 December 2023, the Group did not repay certain other bank borrowings or other borrowings according to the scheduled repayment dates.

If the Company fails to perform the obligations of repaying the debts due and cannot agree on a consensual solution to the corresponding indebtedness with creditors in a timely manner, it may cause the relevant creditors to demand accelerated repayment of the obligations of the relevant debts or take enforcement actions.

The above events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of the aforesaid, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated with the objective to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) the Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings, and has been negotiating with various banks and financial institutions to secure new sources of financing;
- (ii) the Group will actively engage with its creditors and seek external financial advisers for various feasible solutions to the relevant debts;
- (iii) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Recent relaxation of policies with regards to pre-sale requirements have spurred buyers' interests and stimulated demand. The Group will also continue to actively adjust sales and pre-sale activities to better respond to the changing market environment to achieve the latest budgeted sales and pre-sales volumes and amounts; and
- (iv) the Group will continue to take active measures to control administrative costs and unnecessary capital expenditures to preserve liquidity.

The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Company, which cover a period of not less than twelve months from 31 December 2023. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2023. Accordingly, the directors are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2023

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by Hong Kong Institute of Certified Public Accountants, which are relevant to the Group's operations and effective for the consolidated financial statements for the annual period beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to liabilities arising from a single transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

(e) Issued but not yet effective HKFRSs

At the date of authorisation of the consolidated financial statements, the following amended standards have been published but are not yet effective, and have not been adopted early by the Group:

		Effective for the accounting period beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors anticipate that all of the applicable pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The amended HKFRSs and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 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 property development in the People's Republic of China (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 2023 (2022: same).

- (a) As at 31 December 2023, except for parts of term deposits and financial assets at fair value through profit or loss, other assets of the Group were located in the PRC (2022: same).
- (b) 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 2023 (2022: same).

3 REVENUE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue from contracts with customers:		
Revenue from sales of properties		
– Recognised at point in time	42,695,264	28,640,290
Revenue from construction services, hotel operations and others:		
– Recognised at a point in time	336,764	596,845
– Recognised over time	1,074,244	646,434
Revenue from other sources – rental income	179,001	175,723
	<u>44,285,273</u>	<u>30,059,292</u>

4 FINANCE (COSTS)/INCOME – NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Finance income		
– Interest income from bank deposits	76,480	278,389
	<u>76,480</u>	<u>278,389</u>
Finance costs		
– Interest expenses of borrowings	(2,949,077)	(1,897,560)
– Less: capitalised interest	512,330	1,030,724
– Net foreign exchange loss	(324,873)	(1,222,643)
	<u>(2,761,620)</u>	<u>(2,089,479)</u>
Finance costs – net	<u>(2,685,140)</u>	<u>(1,811,090)</u>

5 INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Current income tax:		
PRC corporate income tax (“CIT”)	1,368,275	571,934
PRC land appreciation tax (“LAT”)	378,606	102,175
	<u>1,746,881</u>	<u>674,109</u>
Deferred income tax:		
CIT	27,730	(146,277)
Income tax expenses	<u>1,774,611</u>	<u>527,832</u>

CIT

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 2023 and 2022, 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.

PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the CIT 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.

Hong Kong profits tax

The applicable Hong Kong profits tax rate was 16.5% for the year ended 31 December 2023 (2022: 16.5%). Hong Kong profits tax was not been provided as the Group did not have any assessable profit subject to Hong Kong profits tax for the year ended 31 December 2023 (2022: nil).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 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.

6 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Year ended 31 December	
	2023	2022
Loss attributable to owners of the Company (RMB'000)	<u>(5,919,667)</u>	<u>(11,234,836)</u>
Weighted average number of ordinary shares in issue	<u>1,683,431,417</u>	<u>1,683,431,417</u>
Basic loss per share (RMB per share)	<u>(3.52)</u>	<u>(6.67)</u>

For the year ended 31 December 2022, the computation of diluted loss per share does not assume the exercise of the Company's share option because their assumed exercise would decrease loss per share. For the year ended 31 December 2023, there is no potential ordinary share issued. Accordingly, diluted loss per share for the year ended 31 December 2023 and 2022 are the same as the basic loss per share.

The Company has not repurchased and cancelled its own ordinary shares during the year ended 31 December 2023 (2022: nil).

7 DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

8 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Trade receivables (<i>Note (a)</i>)	70,338	45,395
Other receivables:		
– Amounts due from non-controlling interests	14,457,242	11,198,314
– Deposits for acquisition of land use rights and property development projects	8,053,768	8,359,431
– Other amounts due from third parties	1,761,061	1,884,781
– Deposits for construction contracts	186,169	291,801
– Others	75,331	54,417
Less: loss allowance	(3,342,643)	(813,601)
	21,190,928	20,975,143
Prepayments:		
– Prepayments for acquisition of land use rights	–	1,230,590
– Prepaid value added tax, business taxes and other taxes	5,964,736	5,051,471
– Others	295,860	163,166
	6,260,596	6,445,227
	27,521,862	27,465,765

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within one year	31,448	9,333
Over one year	38,890	36,062
	70,338	45,395

9 TRADE AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Trade payables (<i>Note (a)</i>)	<u>6,277,650</u>	<u>6,902,760</u>
Notes payable	<u>271,153</u>	<u>485,721</u>
Other payables:		
– Amounts due to non-controlling interests	2,266,686	3,410,852
– Deposits received for sales of properties	527,424	572,118
– Other taxes payable	6,324,816	7,877,079
– Interests payable	4,470,355	1,244,437
– Deposits from contractors and suppliers	740,077	960,423
– Accrued payroll	116,136	125,152
– Dividend payable	5,243	42,288
– Provisions (<i>note (b)</i>)	74,608	–
– Others	35,772	92,966
	<u>21,109,920</u>	<u>21,713,796</u>

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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within one year	3,021,008	5,412,046
Over one year	<u>3,256,642</u>	<u>1,490,714</u>
	<u>6,277,650</u>	<u>6,902,760</u>

(b) During the year ended 31 December 2023, the Group received several court orders which were filed by its suppliers for failure to perform the obligation under the suppliers' contracts. According to the Group's in-house legal adviser, the directors of the Company estimated that the Group may therefore be liable for payables, interest and default of approximately RMB74,608,000 (2022: nil).

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Ronshine China Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), I am pleased to present the annual results of the Group for the year ended 31 December 2023 (the “**Year**”).

Market Review

It was a year of economic recovery in 2023 after the end of pandemic prevention and control measures. Faced with a complex international environment as well as the arduous tasks to promote domestic economic development, China has strengthened macroeconomic control, expanded domestic demand, optimized structures, boosted confidence, and worked to prevent and defuse risks. As a result, China’s economy has shown signs of recovery. China’s gross domestic product (“**GDP**”) for the year was recorded at RMB126,058.2 billion, representing a year-on-year growth of 5.2%.

During the Year, the real estate industry’s scale continued to decline, with the overall market stabilizing around its bottom area. In the first half of the Year, the central government continued to regulate the market order and constantly optimised and adjusted the existing market management system. In the second half of the Year, the government stepped up more policy support. On the supply side, it included measures to ease the funding pressure of real estate companies, such as extending period of “16 Supportive Financial Measures”, treating every real estate companies equally and meeting reasonable financing needs, meeting “Three No Less Than” requirements, etc.; on the demand side, it included measures such as lowering down payment ratio and mortgage interest rate, considering home-buyers who had paid off previous mortgages as first-time purchasers, encouraging banks to provide financing to residents to finance installment purchases. With regard to sales, in the first half of the Year, sales transitioned from an increasing trend to a decreasing trend. The pent-up demand, resulting from the pandemic prevention and control measures, was mainly released in the first quarter, while a significant decline in sales was recorded in the second quarter. In the second half of the Year, sales showed a marginal improvement due to the introduction of a series of favourable policies. According to the National Bureau of Statistics, China achieved annual sales of commercial properties amounting to RMB11,662.2 billion, representing a year-on-year decrease of 6.5%, with total gross floor area (“**GFA**”) of 1,117.35 million sq.m., representing a year-on-year decrease of 8.5%.

Business Review

The Group maintained its focus on the Yangtze River Delta and the West Coast of the Taiwan Strait so as to consolidate the advantages of its strategic regional layout, while striving to strengthen its operations and management to ensure successful project development and delivery in all aspects. During the Year, the Group recorded annual contracted sales of approximately RMB16.4 billion, with aggregated contracted GFA of approximately 1.08 million sq.m. and average contracted selling price of approximately RMB15,160 per sq.m. During the Year, the Group earned itself a good reputation in the market for its outstanding products and services.

In respect of land reserves, the Group adhered to the principle of steady development, mainly focusing on first- and second-tier cities. As at 31 December 2023, the Group had a total of 238 projects nationwide with a total land reserve of approximately 20.75 million sq.m.. Among them, the first- and second-tier cities accounted for 87%. Meanwhile, the Group will continue to deepen the cultivation of high-quality projects in the existing core cities and commit to improving operational efficiency, so as to enhance its brand influence continuously.

During the Year, the government successively introduced a number of supportive policies for the real estate industry, yet the implementation rules need to be further clarified and time is needed for implementation. Therefore, the current predicament of declining sales in the real estate market and funding pressures on real estate enterprises is yet to be fundamentally alleviated. In such a challenging situation, the Group continued to adhere to its prudent development strategy and properly managed its cash flow. As at 31 December 2023, the Group's interest-bearing liabilities amounted to RMB40.829 billion. The Group took proactive steps in debt management, focused on transparency management and actively maintained communication with the market through voluntary announcements, investor relations activities, etc. Up to now, the Group has completed its onshore corporate bond restructuring. In addition, the Group adopted a number of measures to ensure stable operation and enhance liquidity, including but not limited to enhancing its sales and cash collection efforts, diversifying financing channels, reasonably reducing operating costs, negotiating for the extensions of some existing debts, and disposing of certain assets, etc..

In spite of facing all the challenges, the Group strove to maintain the quality of its products and services. Under the call of “Guaranteeing Delivery of Real Estate Development Projects, and Ensuring People’s Livelihood”, the Group has always stayed true to its mission and endeavored to achieve its commitment of quality delivery to the homebuyers. During the Year, the Group delivered nearly 40,000 units of housing in various projects across the country, including but not limited to Fuzhou China Trend (福州海納新潮), Suzhou Riverbank Garden (蘇州海岸花園), Nanjing Qinshangqiting (南京秦尚棲庭), and Lianyungang Mansion (連雲港學院府). In addition, the Group is committed to all-around development in environmental, social and governance (ESG) areas and actively fulfills its social responsibility. During the Year, the Group was awarded the “Best ESG Award” by Zhitong Caijing and Royalflush Finance, in recognition of its persistent efforts in achieving sustainable development.

Prospects

In 2024, sales in the real estate market will continue to be impacted by the fact that residents' income expectations have not yet recovered, the pace of urbanisation has slowed down and the population is ageing. Consequently, the overall market will remain stabilized around the bottom in the short term. The Chinese government will continue to promote the revitalisation of the real estate industry. It is expected that policies such as the “Three No Less Than” requirements will be further implemented to meet the financing needs of real estate enterprises, to stabilise the housing demand by lifting restrictions on purchasing properties and lowering the cost of housing, to promote construction of the “Three Major Projects”, namely affordable housing, urban village renewal projects, and “dual-use” infrastructure facilities construction, and to establish a new development model for real estate industry.

Looking forward, the Group will continue to deepen its layout in the Yangtze River Delta, the West Coast of the Taiwan Strait and other regions, strengthen its advantages in in-depth layout, actively respond to market opportunities and challenges with its persistence in high quality of products and services, make determined efforts to ensure property delivery and unremitting efforts to improve people's living environment and create happy lives.

Acknowledgement

On behalf of the Board, I would like to express my sincere gratitude to the shareholders of the Company (the “**Shareholders**”), as well as our customers and partners for their long-term support to and trust in Ronshine. I would also like to express my heartfelt gratitude to the Directors, management team and all employees for their hard work and dedication over the past year. In 2024, the Group will continue to adhere to its vision of “becoming a leading, high-quality property developer and service provider offering an ideal lifestyle”, and meanwhile, with dedication and innovation, construct the framework for the future city and create greater value for our Shareholders and investors.

Ou Zonghong

Chairman

Hong Kong, 25 April 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of operating results

	For the year ended 31 December		Change in percentage
	2023	2022	
Contracted sales			
Contracted sales amount (<i>RMB'000</i>) ⁽¹⁾	16,385,503	57,872,962	-71.69%
Contracted gross floor area (<i>sq.m.</i>)	1,080,846	2,509,511	-56.93%
Average unit price of contracted sales (<i>RMB/sq.m.</i>)	15,160	23,061	-34.26%
Property delivered			
Revenue from delivery of properties (<i>RMB'000</i>)	42,695,264	28,640,290	49.07%
Delivered gross floor area (<i>sq.m.</i>)	2,840,529	1,312,231	116.47%
Recognised average selling price of properties delivered (<i>RMB/sq.m.</i>)	15,030	23,236	-35.31%
Revenue (<i>RMB'000</i>)	44,285,273	30,059,292	47.33%
Cost of Sales (<i>RMB'000</i>)	42,697,850	36,178,859	18.02%
Gross profit/(loss) (<i>RMB'000</i>)	1,587,423	(6,119,567)	-125.94%
Other income and other loss – net (<i>RMB'000</i>)	(820,289)	(987,103)	-16.90%
Loss before income tax (<i>RMB'000</i>)	(5,072,637)	(11,912,118)	-57.42%
Loss for the year (<i>RMB'000</i>)	(6,847,248)	(12,439,950)	-44.96%
– attributable to owners of the Company (<i>RMB'000</i>)	(5,919,667)	(11,234,836)	-47.31%
– attributable to non-controlling interests (<i>RMB'000</i>)	(927,581)	(1,205,114)	-23.03%
– attributable to holders of Perpetual Capital Instruments (<i>RMB'000</i>)	–	–	–
Gross profit/(loss) margin ⁽²⁾	3.58%	(20.36)%	-117.58%
Net loss margin ⁽³⁾	(15.46)%	(41.38)%	-62.64%
Total assets (<i>RMB'000</i>)	147,311,677	189,232,352	-22.15%
Total liabilities (<i>RMB'000</i>)	124,523,650	158,597,833	-21.48%
Total equity (<i>RMB'000</i>)	22,788,027	30,634,519	-25.61%
Capital and reserve attributable to owners of the Company (<i>RMB'000</i>)	248,534	6,186,962	-95.98%
Current ratio ⁽⁴⁾	1.13 times	1.25 times	-9.6%
Gearing ratio ⁽⁵⁾	1.52	1.07	41.12%

Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross loss margin is based on gross loss divided by revenue and multiplied by 100%; and the calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net loss margin is based on net loss divided by revenue and multiplied by 100%.
- (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 cash and bank balances and divided by total equity.

Property Development

Contracted Sales

For the year ended 31 December 2023, the Group achieved contracted sales of approximately RMB16,385.50 million, representing a decrease of approximately 71.69% compared with approximately RMB57,872.96 million for the year ended 31 December 2022. This was mainly attributable to the decrease in the total GFA of the Group's contracted sales by approximately 56.93% from approximately 2,509,511 sq.m. for the year ended 31 December 2022 to approximately 1,080,846 sq.m. for the year ended 31 December 2023.

The amount of the Group's contracted sales in Shanghai, Hangzhou, Suzhou, Nanjing, Fuzhou, Zhengzhou, Qingdao, Fuyang and Chengdu accounted for (i) approximately 74.31% of the Group's total contracted sales for the year ended 31 December 2023, and (ii) approximately 59.63% of the Group's total GFA of contracted sales for the year ended 31 December 2023. The following table sets forth details of the contracted sales of the Group for the year ended 31 December 2023:

	Amount <i>(RMB million)</i>	Percentage <i>(%)</i>	Total GFA <i>(sq.m.)</i>	Percentage <i>(%)</i>	Average selling price <i>(RMB/sq.m.)</i>
Shanghai	2,886.87	17.62	35,824.26	3.31	80,584.34
Hangzhou	2,677.36	16.34	86,990.13	8.05	30,777.80
Suzhou	1,560.67	9.52	81,012.56	7.50	19,264.49
Nanjing	1,048.12	6.40	66,211.28	6.13	15,829.94
Fuzhou	998.18	6.09	84,136.48	7.78	11,863.78
Zhengzhou	917.06	5.60	103,762.97	9.60	8,838.00
Qingdao	776.26	4.74	51,429.65	4.76	15,093.62
Fuyang	692.70	4.23	93,470.86	8.65	7,410.84
Chengdu	619.20	3.78	41,621.65	3.85	14,876.94
Others	4,209.08	25.69	436,386.16	40.37	9,645.32
Total	16,385.50	100.00	1,080,846.00	100.00	15,159.89

Projects completed

For the year ended 31 December 2023, the Group and its joint ventures and associates had completed a total of 24 projects or phases of projects, with a total GFA of 7,957,107.60 sq.m. (3,086,645.67 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 2023, the Group and its associates and joint ventures had a total of 65 projects or phases of projects under construction, with a total planned GFA of 16,201,440.21 sq.m. (9,689,334.98 sq.m., after taking into account the interests of the owners of the Company in the relevant projects).

Land reserve

During the Year, the Group did not acquire any land parcels.

As at 31 December 2023, the total GFA of the Group's land reserve was approximately 20.75 million sq.m. among which, approximately 6.26 million sq.m. were completed properties held for sale, approximately 14.18 million sq.m. were under construction, and approximately 0.31 million sq.m. were held for future development.

As at 31 December 2023, the average cost per sq.m. of the Group's land reserve decreased from RMB8,022 for the year ended 31 December 2022 to RMB7,930 for the year ended 31 December 2023. The Directors believe that the relatively high-quality land reserve provides the Group with effective support for its sales and cash flows.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 31 December 2023:

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Fuzhou	Fuzhou Houhai (福州後海)	222	5.13	7,406
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	681	64.44	1,610
Fuzhou	Fuzhou Nice Villa (福州有墅)	15	4.41	486
Xiamen	Xiamen Boyue Bay (廈門鉑悅灣)	395	2.78	23,207
Shanghai	Shanghai Platinum (上海鉑爵)	140	1.47	15,409
Shanghai	Shanghai Zhongxing Road (上海中興路)	3,413	4.98	100,091
Nanjing	Nanjing Boan Center (南京鉑岸中心)	338	22.11	2,515
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	378	3.80	13,576
Zhangzhou	Zhangzhou No. 1 (漳州壹號府)	224	2.65	10,897
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	360	3.77	12,842
Tianjin	Tianjin West Coast (天津西海岸)	1,049	15.85	8,238
Tianjin	Tianjin Jinnan (天津津南府)	858	18.09	12,959
Putian	Putian Ronshine (莆田融信府)	224	2.98	10,032
Guangzhou	Guangzhou Tianyue (廣州天樾府)	835	8.07	14,999

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Xiamen	Xiamen Century (廈門世紀)	173	0.94	31,520
Chongqing	Chongqing Lan Bay (重慶瀾灣)	393	8.93	6,189
Hangzhou	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	307	8.00	5,101
Shaoxing	Shengzhou Creating Century (嵊州創世紀), Shengzhou Mansion (嵊州學院府)	480	28.50	2,577
Hangzhou	Hangzhou Century (杭州世紀)	1,859	19.00	30,816
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	150	20.13	912
Nanjing	Nanjing Wanke Du Hui Tian Di (南京萬科都薈天地)	49	0.64	12,130
Nanjing	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	36	0.56	9,464
Jinhua	Jinhua Yuejiang (金華悅江府)	68	1.10	8,467
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	1,259	4.45	40,542
Zhengzhou	Zhengzhou Jiangwancheng-Supai-1 (鄭州江灣城－蘇派－1)	187	33.96	470
Fuzhou	Fuzhou Lan Sky (福州瀾天)	240	1.45	21,973
Hangzhou	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	308	2.94	16,005
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	11	2.04	714
Lu'an	Lu'an Jiangwancheng (六安江灣城)	41	2.61	1,984
Fuyang	Xingfu Li • East County (幸福里 • 東郡)	108	9.44	2,235
Jiaxing	Haining Lanting (海寧瀾庭)	154	2.98	7,200
Huzhou	Anji Yuejiang (安吉悅江府)	236	11.09	2,986
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-1 (鄭州江灣城－中喬－1)	154	31.15	722
Chengdu	Chengdu Lan Sky (成都瀾天)	53	1.81	4,200
Mengcheng	Mengcheng Age Xingfu Li (蒙城時代幸福里)	17	1.03	2,102
Zhengzhou	Zhengzhou Jiangwancheng-Supai-2 (鄭州江灣城－蘇派－2)	122	32.98	550
Qingdao	The Ocean Coastal (青島海月星灣)	301	14.31	3,504
Fuzhou	Fuzhou Park Left Bank Project (福州公園左岸)	33	0.20	21,731
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	97	3.29	3,939
Shanghai	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	413	2.67	25,397
Xi'an	Hailiang • Yuchen (海亮 • 御宸)	23	0.57	4,821
Zhengzhou	Zhengzhou Jiangwancheng-Delan-1 (鄭州江灣城－德藍－1)	230	57.66	520
Zhengzhou	Zhengzhou Olympic Century-1 (鄭州奧體世紀－1)	151	17.96	2,264

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Suzhou	Suzhou Haiyue Pingjiang (蘇州海月平江)	218	1.52	19,235
Fuzhou	Changle Lanshan (長樂瀾山)	290	7.66	5,005
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	265	3.99	11,149
Huzhou	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	181	4.42	6,095
Huzhou	Huzhou Rongjing Garden (湖州融璟園)	34	1.07	5,457
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	300	7.16	11,742
Changzhou	Changzhou Lanyue (常州瀾悅)	395	5.58	9,313
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	39	4.40	1,127
Fuzhou	Pingtian Lanchen (平潭瀾宸)	438	9.99	5,549
Jiujiang	Jiangxi Country Garden Jiutang (江西碧桂園九棠)	331	8.65	5,167
Fuyang	Fuyang Linqun Project (阜陽臨泉項目)	18	1.10	2,115
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	5.05	5,546
Shaoxing	Shengzhou Chuang Shi Ji Pin Ge (嵊州創世紀品閣)	24	0.93	3,492
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	714	30.69	3,167
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	300	3.44	13,004
Suzhou	Suzhou Wu Zhong Lin Hu Zhen Lot (蘇州吳中臨湖鎮地塊)	165	5.27	6,843
Chengdu	Shui Nian River (水碾河)	35	0.36	13,500
Chengdu	Chengdu Ruilian (成都瑞聯)	26	0.29	14,300
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	112	1.73	9,600
Chongqing	Tan Zi Kou (灘子口)	31	0.48	9,255
Nantong	Nantong Lan Chen (南通瀾宸)	276	5.07	8,537
Fuzhou	Fuzhou CBD49 Lot (福州CBD49地塊)	67	0.64	14,497
Shaoxing	South Lot of Shaoxing Vocational & Technical College (紹興職業學院南側 地塊)	169	2.99	7,943
Wenzhou	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	260	4.37	8,510
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	9	0.56	2,386
Nanjing	Nanjing 2019G87 (南京2019G87)	766	6.46	16,628
Nanjing	Nanjing 2019G94 (南京2019G94)	403	3.27	19,019
Zhengzhou	Zhengzhou Olympic Century-2 (鄭州奧體世紀-2)	596	25.60	3,134
Taiyuan	Taiyuan City of Times-1 (太原時光之城-1)	483	44.36	1,355
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao-2 (鄭州江灣城-中喬-2)	18	2.85	790
Zhengzhou	Zhengzhou Jiangwancheng-Supai-3 (鄭州江灣城-蘇派-3)	18	3.13	751

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Zhengzhou	Zhengzhou Jiangwancheng-Delan-2 (鄭州江灣城－德藍－2)	154	30.65	717
Hangzhou	Hangzhou Zhanwang (杭州展望)	477	2.81	25,116
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	37	0.98	5,383
Wenzhou	Wenzhou Rongwang (溫州榮望)	68	1.27	7,203
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	171	7.25	2,961
Lianyungang	Lianyungang Mansion (連雲港學院府)	218	7.45	3,999
Taiyuan	Taiyuan City of Times-2 (太原時光之城-2)	383	38.31	1,222
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	1,690	14.05	17,388
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	665	6.12	16,088
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	1,804	10.31	23,558
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	4,132	39.05	13,521
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	110	4.48	3,578
Nanjing	Nanjing Qinglan (南京青瀾)	523	8.54	17,439
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	4.76	12,263
Baoding	Baoding Jinyue City (保定金悅城)	131	5.09	3,979
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	941	7.53	16,811
Shanghai	Shanghai Century One Mile (上海世紀古美)	1,407	7.66	54,814
Shanghai	Shanghai Four Seasons (上海海月四季)	373	5.20	22,578
Chongqing	Chongqing Kaizhou Fengtai 107 mu Project (重慶開州豐太107畝項目)	166	8.06	2,855
Shanghai	Shanghai Parallel Impression (上海海納印象)	4,871	17.95	38,763
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	58	7.82	897
Fuyang	Linqan Junyue Mansion (臨泉君樾府)	30	1.48	2,592
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	55	2.53	2,811
Mengcheng	Mengcheng Junyue Mansion (蒙城君樾府)	14	1.04	1,662
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	486	12.53	5,121
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	149	2.68	8,281
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	148	5.00	3,903

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Dazhou	Tianyu Dazhou Lianhua Lake 51 mu (天譽達州蓮花湖51畝)	50	1.91	3,650
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	170	1.72	14,075
Hangzhou	Yunhe Commercial 44 Lot (運河商業44號地塊)	224	2.00	12,859
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	1,772	3.73	72,000
Zhengzhou	Zhengzhou Jiangwancheng-Supai-4 (鄭州江灣城-蘇派-4)	16	13.49	716
Zhengzhou	Zhengzhou Jiangwancheng-Delan-3 (鄭州江灣城-德藍-3)	8	1.29	751
Taiyuan	Taiyuan City of Times-3 (太原時光之城-3)	371	32.78	1,294
Suzhou	Changshu Project (常熟項目)	275	5.74	6,662
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	148	0.80	25,962
Chengdu	95 mu next to Longteng Chongzhou Wanda Plaza (隆騰崇州萬達廣場旁95畝)	348	11.59	5,718
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	256	11.55	2,932
Putian	Xianyou Construction and Development Cooperation Project (仙遊建發合作項目)	42	3.33	2,784
Hangzhou	Yue Zhen Mansion (樾臻府)	62	1.86	4,375
Zhengzhou	Zhengzhou City of Times - 2 (鄭州時光之城-2)	469	15.31	2,501
Zhengzhou	Zhengzhou Olympic Century-3 (鄭州奧體世紀-3)	402	16.06	3,485
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	784	7.12	14,784
Huzhou	Huzhou Xifengyang Project (湖州西鳳漾項目)	690	16.46	5,794
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	612	13.65	6,475
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	623	9.80	8,856
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	597	0.69	6,518
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	2,481	17.20	19,474
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	1,482	6.55	27,253
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	242	0.79	44,364
Hangzhou	Hangzhou Linglong Mountain 18 Lot (杭州玲瓏山18號地塊)	306	3.28	13,890

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	160	2.34	12,278
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	136	2.61	7,087
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	378	7.05	7,397
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	301	5.54	7,653
Wenzhou	East Wenzhou Pingyang New District B-09, 11 Lot (溫州平陽城東新區B-09、11地塊)	714	12.66	7,607
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	97	2.82	4,796
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	385	5.42	10,498
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	357	2.91	18,699
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	372	13.64	3,360
Suzhou	Suzhou Science City Project (蘇州科技城項目)	416	3.76	15,647
Shanghai	Shanghai Baoshan Luodian Project (上海寶山羅店項目)	551	3.50	22,340
Nantong	Nantong Chongchuan Yuanlin Road Plot (南通崇川園林路地塊)	667	6.92	13,340
Lanzhou	Lanzhou Lelan • Shiguangyin (蘭州樂瀾•時光印)	62	8.07	709
Weinan	Weinan Wenquetai (渭南文闕台)	78	5.81	2,393
Mengcheng	Mengcheng South New Area Plot (蒙城城南新區地塊)	81	5.63	1,752
		60,933	1,234	7,930

Financial review

Revenue

The Group's revenue increased by approximately 47.33% from approximately RMB30,059.29 million for the year ended 31 December 2022 to approximately RMB44,285.27 million for the year ended 31 December 2023. The Group derived its revenue primarily from (i) the sales of properties in the PRC; (ii) certain construction services with local PRC governments with respect to the construction of resettlement housing; and (iii) the rental income generated from the leasing of investment properties, hotel operations and others.

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

	For the year ended		Change in percentage
	31 December 2023	2022	
	RMB'000	RMB'000	
Revenue			
Sales of properties	42,695,264	28,640,290	49.07%
Construction services	1,074,244	646,434	66.18%
Rental income, hotel operations and others	515,765	772,568	-33.24%
Total	44,285,273	30,059,292	47.33%

The increase in the Group's revenue was mainly attributable to:

- (i) the increase in the recognised GFA of properties delivered by the Group by approximately 116.47% from 1,312,231 sq.m. for the year ended 31 December 2022 to 2,840,529 sq.m. for the year ended 31 December 2023;
- (ii) the increase in revenue generated from construction services by approximately 66.18% from approximately RMB646.43 million for the year ended 31 December 2022 to approximately RMB1,074.24 million for the year ended 31 December 2023; and
- (iii) the increase in rental income generated from investment properties from approximately RMB175.72 million for the year ended 31 December 2022 to approximately RMB179.00 million for the year ended 31 December 2023. The others comprise mainly of revenue from hotel operations and provision of consultation services. During the year ended 31 December 2023, revenue from hotel operations of the Group was approximately RMB159.17 million, compared to approximately RMB116.55 million for the year ended 31 December 2022.

Revenue generated from the sales of properties amounted to approximately RMB42,695 million for the year ended 31 December 2023. The following table sets forth details of revenue generated from the sales of properties of the Group by geographical location for the year ended 31 December 2023:

	For the year ended 31 December					
	2023			2022		
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	8,613	191,039	45,084	7,614	95,592	79,656
Hangzhou	6,917	203,344	34,018	5,740	117,693	48,772
Fuzhou	4,535	508,492	8,918	519	61,467	8,443
Nanjing	4,534	200,808	22,579	3,122	195,327	15,986
Zhangzhou	3,839	206,788	18,564	648	31,153	20,798
Others	14,257	1,530,058	9,318	10,997	811,000	13,559
Total	42,695	2,840,529	15,031	28,640	1,312,232	21,826

Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities, including cost of construction, land use rights, interest capitalized and tax surcharge. The Group's cost of sales increased by approximately 18.02% from approximately RMB36,178.86 million for the year ended 31 December 2022 to approximately RMB42,697.85 million for the year ended 31 December 2023.

Gross loss/profit and gross loss/profit margin

Gross loss/profit represents revenue less cost of sales. As a result of the foregoing, there was a turnaround from gross loss of approximately RMB6,119.57 million for the year ended 31 December 2022 to gross profit of approximately RMB1,587.42 million for the year ended 31 December 2023.

The Group recorded a gross loss margin of approximately 20.36% for the year ended 31 December 2022 and a gross profit margin of approximately 3.58% for the year ended 31 December 2023, primarily because the Group delivered different portfolios of properties and the provision for impairment of inventories increased significantly in 2023 as compared with 2022.

Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) advertisement expenses; (iii) property management fees; and (iv) others costs including rental expenses and office expenses.

The Group's selling and marketing costs decreased by approximately 40.6% from approximately RMB971.65 million for the year ended 31 December 2022 to approximately RMB577.15 million for the year ended 31 December 2023, primarily due to the decreased advertisement expenses and property management service fee.

Administrative expenses

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

The Group's administrative expenses decreased by approximately 33.63% from approximately RMB1,009.60 million for the year ended 31 December 2022 to approximately RMB670.05 million for the year ended 31 December 2023, mainly attributable to the decrease in staff costs and property management service fees.

Fair value losses/gains on investment properties

The Group recorded fair value losses of approximately RMB739.01 million for the year ended 31 December 2022 and fair value gains of approximately RMB96.66 million for the year ended 31 December 2023. The increase was due to the recovery of market price of investment properties.

Other income

The Group's other income primarily includes (i) interest income; and (ii) deposits forfeited from some of the Group's prospective customers who breached the property purchase agreements. The Group's other income decreased by approximately 12.37% from approximately RMB164.25 million for the year ended 31 December 2022 to approximately RMB143.94 million for the year ended 31 December 2023.

Other losses, net

The Group's other losses, net primarily include (i) loss from financial assets at fair value through profit or loss; (ii) losses/gains from bond repurchase; and (iii) loss from disposal of subsidiaries and an associate. The Group recorded other net losses of approximately RMB1,151.35 million for the year ended 31 December 2022 and other net losses of approximately RMB964.23 million for the year ended 31 December 2023. The decrease in other losses was primarily due to the slowdown of disposal of certain projects of the Group.

Operating loss

The Group recorded operating loss of approximately RMB10,615.25 million for the year ended 31 December 2022 as compared to operating loss of approximately RMB3,013.32 million for the year ended 31 December 2023. The improvement was primarily due to the decrease in provision for impairment of available-for-sale property projects and self-held property projects during the Year.

Finance costs – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded net finance costs of approximately RMB1,811.09 million for the year ended 31 December 2022 and net finance cost of approximately RMB2,685.14 million for the year ended 31 December 2023. The increase in finance costs was primarily due to the increase in interest expenses of borrowings of approximately RMB1,051.93 million.

Loss before income tax

As a result of the aforementioned changes of the Group's financials, the loss before income tax of approximately RMB11,912.12 million for the year ended 31 December 2022 decreased to approximately RMB5,072.64 million for the year ended 31 December 2023.

Income tax expense

The Group's income tax expense comprises provisions made for corporate income tax (“CIT”) (including deferred income tax) and land appreciation tax (“LAT”) in the PRC.

The Group recorded income tax expenses of approximately RMB527.83 million for the year ended 31 December 2022 and approximately RMB1,774.61 million for the year ended 31 December 2023. Specifically, the Group recorded CIT (including deterred income tax) expenses of approximately RMB425.66 million for the year ended 31 December 2022 as compared with CIT (including deterred income tax) expenses of approximately RMB1,396.01 million for the year ended 31 December 2023, while the Group's LAT expenses increased by approximately 270.53% from approximately RMB102.18 million for the year ended 31 December 2022 to approximately RMB378.61 million for the year ended 31 December 2023.

Loss for the year attributable to owners of the Company

As a result of the foregoing factors, the loss for the year attributable to owners of the Company of approximately RMB11,234.84 million for the year ended 31 December 2022 decreased to approximately RMB5,919.67 million for the year ended 31 December 2023.

Loss for the year attributable to non-controlling interests

The loss for the year attributable to non-controlling interests of approximately RMB1,205.11 million for the year ended 31 December 2022 decreased to approximately RMB927.58 million for the year ended 31 December 2023. The decrease was primarily due to recognition of revenue from sales of properties during the year ended 31 December 2023 in the respective projects, which were jointly developed with non-controlling parties and the decrease in provision for impairment of available-for-sale property projects and self-held property projects during the Year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group's net current assets amounted to approximately RMB14,338.71 million (31 December 2022: approximately RMB34,070.28 million). Specifically, the Group's total current assets decreased by approximately 25.82% from approximately RMB168,757.10 million as at 31 December 2022 to approximately RMB125,189.87 million as at 31 December 2023. The Group's total current liabilities decreased by approximately 17.70% from approximately RMB134,686.82 million as at 31 December 2022 to approximately RMB110,851.16 million as at 31 December 2023. The decrease in the Group's total current assets was primarily attributable to the decrease in properties under development by approximately 48.26% from approximately RMB94,305.79 million as at 31 December 2022 to approximately RMB48,795.30 million as at 31 December 2023.

As at 31 December 2023, the Group had cash and bank balances of approximately RMB6,217.73 million (31 December 2022: approximately RMB9,543.94 million), total borrowings of approximately RMB40,828.96 million (31 December 2022: approximately RMB42,403.67 million) and a weighted average effective interest rate for outstanding borrowings of approximately 6.55% (including bank borrowings, trust and other borrowings, domestic corporate bonds, senior notes and asset-backed securities) (31 December 2022: approximately 6.86%).

As at 31 December 2023, the aggregated issued amount of the domestic corporate bonds was approximately RMB8,548.40 million, representing approximately 20.94% of the total borrowings of the Group.

As set out in the announcement of the Company dated 26 January 2023, the 8.95% senior notes due 2023 (the “**January 2023 Notes**”) (ISIN: XS2031469732 and Common Code: 203146973) in the aggregate principal amount of US\$413,000,000 issued by the Company and listed on SGX-ST matured on 22 January 2023. The principal amount and the accrued and unpaid interest totalling US\$431,481,750 were due and payable.

As set out in the announcement of the Company dated 9 June 2023, the 8.1% senior notes due 2023 (the “**June 2023 Notes**”) (ISIN: XS2090949160 and Common Code: 209094916) in the aggregate principal amount of US\$316,000,000 issued by the Company and listed on SGX-ST matured on 9 June 2023. The principal amount and the accrued and unpaid interest totalling US\$328,798,000 were due and payable.

As set out in the announcement of the Company dated 15 December 2023, the 7.35% senior notes due 2023 (the “**December 2023 Notes**”) (ISIN: XS52189303873 and Common Code: 218930387) in the aggregate principal amount of US\$410,000,000 issued by the Company and listed on SGX-ST matured on 15 December 2023. The principal amount and the accrued and unpaid interest totalling US\$425,067,500 were due and payable.

As of the date of this announcement, the Company has not made the above payments and has not received any notice regarding accelerated repayment from the relevant trustee or holders of the January 2023 Notes, the June 2023 Notes and the December 2023 Notes, respectively.

Since the second half of 2021, the business environment of China’s real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry’s business environment, which has brought enormous pressure on the Group’s operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or have the cash from external financing to meet its loan repayment obligations.

Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group’s operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 1(c) to the consolidated financial statements extracted in this announcement. The Group will closely monitor its liquidity position and issue further announcement regarding the progress of any capital structure solutions or significant business updates.

PLEDGE OF ASSETS

As at 31 December 2023, the Group's borrowings were secured by the Group's assets of approximately RMB36,222.63 million (31 December 2022: approximately RMB52,799.47 million), which included (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 borrowings from financial institutions 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. The 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 approximately RMB20,806.15 million as at 31 December 2023 (31 December 2022: approximately RMB24,879.64 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 2023, the current ratio of the Group was 1.13 times (31 December 2022: 1.25 times). The decrease in the Group's current ratio was mainly attributable to the decrease of properties under development included in current assets.

Gearing ratio

As at 31 December 2023, the gearing ratio of the Group was 1.52 (31 December 2022: 1.07), mainly due to the decrease in total assets. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

FUTURE PLANS FOR MATERIAL INVESTMENTS

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 the PRC. No concrete plan for future investments is in place for the Group 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. As at 31 December 2023, the Group's financial assets and liabilities denominated in currencies other than Renminbi were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB18,307.13 million. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to the 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.

SIGNIFICANT INVESTMENT HELD

For the year ended 31 December 2023, save as disclosed in this announcement, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2023.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, the Group employed a total of 814 full-time employees (31 December 2022: 1,215 full-time employees). For the year ended 31 December 2023, the staff cost recognised by the Group amounted to approximately RMB201.33 million (31 December 2022: approximately RMB293.17 million).

The remuneration policy of the Group is to provide the employees with remuneration packages including salary, bonuses and various allowances, so as to attract and retain top quality staff. In general, the Group determines employees' 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 and 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 2023, 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.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "AGM") will be convened and held on Thursday, 13 June 2024, a notice of which will be published and despatched to the Shareholders in due course.

FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (31 December 2022: nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024 (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 share documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, 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 Thursday, 6 June 2024.

PURCHASE, SALE AND REDEMPTION OF SECURITIES OF THE COMPANY

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, the Group did not have any significant event subsequent to 31 December 2023.

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**”) contained in Appendix 10 (which has been renumbered to Appendix C3 with effect from 31 December 2023) to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as the guidelines for 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 throughout the year ended 31 December 2023.

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 Part 2 of Appendix 14 (which has been renumbered to Appendix C1 with effect from 31 December 2023) 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 year ended 31 December 2023, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code as disclosed below.

Code provision C.2.1 of the Corporate Governance Code provides 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 (“**Mr. Ou**”), 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’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 continues to act as the chairman and chief executive officer of the Group, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director 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 Rule 3.21 of the Listing Rules and the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxinggroup.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 currently consists of three members, namely Mr. He Jiarong, Mr. Ren Yunan and Mr. Ruan Weifeng, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. He Jiarong who possesses appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed, and has agreed with the auditor of the Company on the annual results of the Group for the year ended 31 December 2023.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the independent auditor’s report from the external auditor of the Company:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 to the consolidated financial statements that the Group incurred a loss of approximately RMB6,847.2 million for the year ended 31 December 2023 and as of that date, the Group had net current assets of approximately RMB14,338.7 million and the Group’s current portion of borrowings amounted to approximately RMB28,452.8 million, while its current portion of cash and cash equivalents (excluding restricted cash) amounted to approximately RMB3,545.1 million. Further, as at 31 December 2023, the Group had not repaid certain borrowings of approximately RMB18,249.2 million according to their scheduled repayment dates and borrowings of RMB22,026.9 million as described in the note to consolidated financial statements. These conditions, along with the current situation as set forth in note 2.1, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

RETIREMENT AND RE-APPOINTMENT OF AUDITOR

Elite Partners shall retire and, being eligible, have offered themselves for re-appointment at the AGM. A resolution will be proposed by the Company at the AGM for the re-appointment of Elite Partners as the auditor of the Company.

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 2023 will be dispatched to the Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

PROPOSED ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing memorandum of association and articles of association of the Company (the “**Existing Memorandum and Articles**”) to (i) bring the Existing Memorandum and Articles in line with the latest requirements under the Listing Rules, including the amendments to Rule 2.07A of the Listing Rules with respect to electronic dissemination of corporate communications which took effect from 31 December 2023; and (ii) incorporate certain corresponding and housekeeping amendments (the “**Proposed Amendments**”).

The Board proposes to effect the Proposed Amendments by way of adoption of the amended and restated memorandum of association and articles of association of the Company (the “**Amended and Restated Memorandum and Articles**”) in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The proposed adoption of the Amended and Restated Memorandum and Articles are subject to the approval of the Shareholders by way of a special resolution to be proposed at the forthcoming AGM, and will become effective upon the approval by the Shareholders at the AGM. Prior to the passing of such special resolution at the AGM, the Existing Memorandum and Articles shall remain valid.

A circular containing, among other matters, details of the proposed adoption of the Amended and Restated Memorandum and Articles, together with a notice convening the AGM will be despatched to the Shareholders in due course.

The Proposed Amendments and the Amended and Restated Memorandum and Articles are prepared in the English language and their Chinese translation is for reference only. In the event of any inconsistencies between the English and Chinese language versions, the English language version shall prevail.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended at 9:00 a.m. on Tuesday, 2 April 2024, pending the publication of this announcement in respect of, among others, the annual results of the Company for the year ended 31 December 2023.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Friday, 26 April 2024.

By order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman

Hong Kong, 25 April 2024

As at the date of this announcement, Mr. Ou Zonghong, Ms. Yu Lijuan, Ms. Zeng Feiyan and Mr. Wu Jianxing are the executive Directors; Mr. Li Shupeí is the non-executive Director; Mr. Ren Yunan, Mr. Ruan Weifeng and Mr. He Jiarong are the independent non-executive Directors.