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June 2020

# RE IV Limited May 2020 Update

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## Executive Summary

RE IV Limited (the “Company”) has today received an updated third-party valuation in respect of its property portfolio from CBRE. The value of the Company’s property portfolio has continued to increase at a stable pace and, as of May 31, 2020, amounted to RMB 3,945.8 million in total, implying a 14 per cent value growth compared to book value. (refer to page 3 for the details of the valuation)

During the period January – May 2020, the Company has sold 435 units with total contractual sales amounting to CNY 503 million in the two projects that it currently has for sale, the Hammarby Eco City Project (site A-2) and the Fushan Nordic Park Project, thereby achieving its midyear sales target for 2020. (refer to page 4 for details)

The net LTV is 3.2%, based on the unaudited balance sheet as of May 31, 2020. (refer to page 5 for details)

## External Valuations by CBRE as of May 31

Due to, among other things, the limited supply of land, rising land prices and attractive acquisition prices for the seven investments, the value of the Company's property portfolio amounts to RMB 3,945.8 million in total, as of May 31, 2020, pursuant to the latest third-party valuation conducted by the external valuer CBRE, implying a 14% value growth compared to book value.

In RMB	Total	Eco City (Site A-2)	Eco City (Site B)	Fushan Project	Pian Ling Project	Print House Project	Shenbei Project	Xiaozhuang Project
<b>CBRE Valuation as of May 31, 2020</b>	3,945,800,000	632,000,000	681,300,000	725,400,000	631,700,000	140,900,000	951,500,000	183,000,000
<b>Property Cost as of May 31, 2020</b>	3,446,393,238	490,839,678	486,620,854	674,493,897	616,663,827	139,853,866	855,467,633	182,453,483
<b>Revaluation Gain</b>	499,406,762	141,160,322	194,679,146	50,906,103	15,036,173	1,046,134	96,032,367	546,517
<b>% of revaluation gain on property cost</b>	14%							

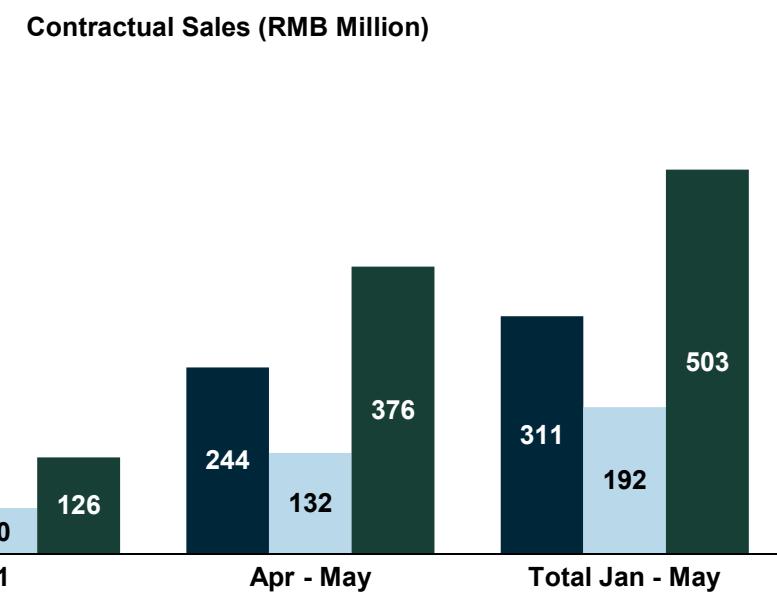
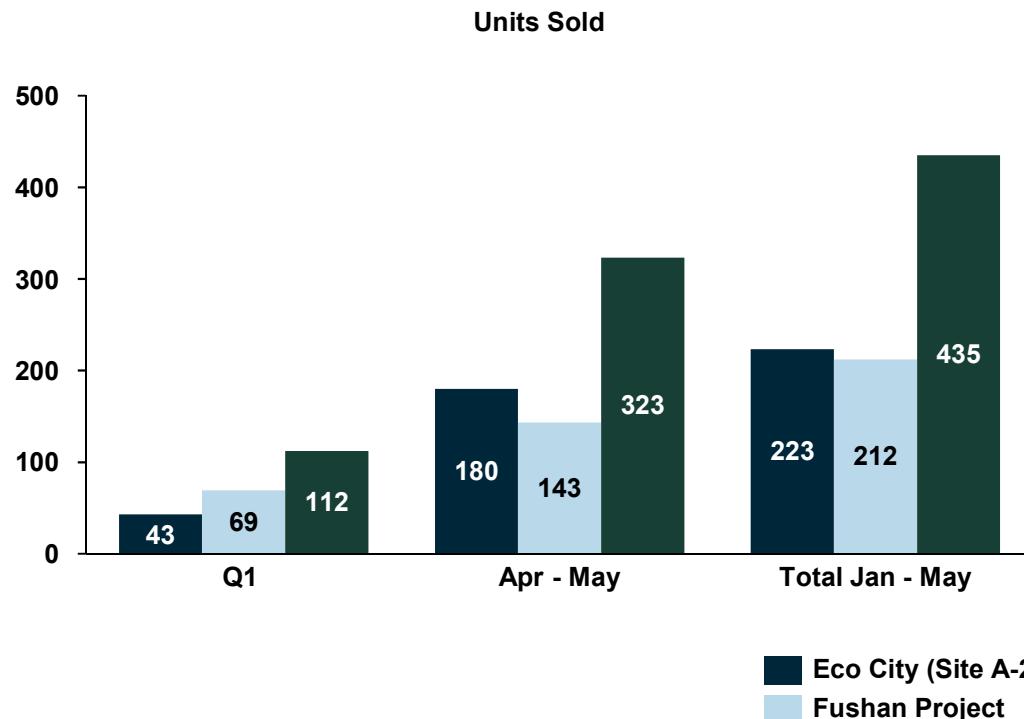
## Sales Update (April - May)

White Peak sold 323 units in total during April and May in Yantai (Q1:112 units)

Total contractual sales reached RMB 376 million in April and May. (Q1: 126 million)

In April, Hammarby Eco City ranked No.1 in terms of sales among all projects in Yantai, better than the largest Chinese national developers.

During Jan – May, White Peak ranked No. 5 in terms of total sales among all developers in Yantai.



 Eco City (Site A-2)  
  Total  
 Fushan Project

## Highlights of the unaudited Balance Sheet as of May 31, 2020 (RE IV Limited -- the holding company in HK and the bond issuer)

### May 31, 2020

	Valuation of properties under development for sale RMB Million	Book value of properties under development for sale RMB Million	Cash and cash equivalents RMB Million
	3,946 <sup>1</sup>	3,446 <sup>2</sup>	668 <sup>3</sup>
	Cumulative Contract sales RMB Million	Cumulative Contract GFA Square meter	Operating loss during the period RMB Million
	1,139 <sup>4</sup>	106,629 <sup>4</sup>	44 <sup>5</sup>
	Total borrowing RMB Million	Total bond payable RMB Million	Equity loan RMB Million
	340 <sup>6</sup>	455 <sup>7</sup>	2,283 <sup>8</sup>
			Loan to Value %
			3.2 <sup>9</sup>

### Q1 2020

	Valuation of properties under development for sale RMB Million	Book value of properties under development for sale RMB Million	Cash and cash equivalents RMB Million
	3,467 <sup>1</sup>	3,040 <sup>2</sup>	353 <sup>3</sup>
	Cumulative Contract sales RMB Million	Cumulative Contract GFA Square meter	Operating loss during the period RMB Million
	763 <sup>4</sup>	73,030 <sup>4</sup>	35 <sup>5</sup>
	Total borrowing RMB Million	Total bond payable RMB Million	Equity loan RMB Million
	270 <sup>6</sup>	422 <sup>7</sup>	2,283 <sup>8</sup>
			Loan to Value %
			9.8 <sup>9</sup>

1&2: Valuation is based on the latest independent third party valuation while properties under development for sale is based on the book value of properties. Due to actual appreciation of the land and developments since acquisition, valuation is higher than property under development.

3. As of May 31, 2020, the Group had cash and bank balances in the amount of RMB 811 million, out of which RMB 143 million was not counted towards cash and cash equivalents in the financial statements since the funds may only be used for payment of construction costs following receipt of approval from the relevant government authority is obtained.

4. As at 31 March 2020, the Group has cumulative contracted pre-sales amounting to RMB 1,139million (31 March 2020: RMB 763 million) with cumulative contract GFA from presale of residential properties of 106,629 (31 March 2020: 73,030) square meters.

5. Development profits are only recognized at delivery.

6. Local loans related to the projects denominated in RMB and sourced in China. The repayment schedule is determined by sales progress of the project.

7. On 5 July 2019, the company issued SEK 600,000,000 Senior Secured Fixed Rate Bonds. The term of the bonds is 3 years and the coupon is 9%. The bond payable includes both the principal portion that will vary with the SEK/CNY fx rate and the interest accrued at the period/year end date.

8. Long term subordinated shareholders loan, deemed as equity in the balance sheet.

9. Loan to Value means the ratio of Net Interest Bearing Debt to Gross Asset Value as per the latest Valuation.