



建業地產股份有限公司
Central China Real Estate Limited

2020 Annual Results Announcement

April 2021

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Company Representatives



Chairman
Mr. Wu Po Sum



Mr. Felix Wang
Executive Director &
Chief Executive Officer



Mr. Zhang Xunke
Assistant President of CCRE &
General Manager of Capital Management



Mr. Vinh Mai
Head of Investor Relations &
Chief Investment Officer

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Overview

2020 Financial Results Summary

- ▲ Revenue increased by 40.8% to RMB43,304 mn (excluding attributable revenue from JCEs of RMB4,213 mn)
- ▲ Total recognized GFA amounted to 6.11mn sq.m., up 35.6%
- ▲ Recognized ASP increased by 5.2% to RMB6,811 per sq.m., due to product mix changes
- ▲ Gross profit increased by 7.4% to RMB8,596 mn, achieved gross profit margin of 19.9%
- ▲ EBITDA RMB7,174 mn on higher gross profit, up by 3.4%
- ▲ Net profit down 13.0% to RMB2,102 mn, profit attributable to equity shareholders down 10.6% to RMB1,802mn
- ▲ Profit attributable to equity shareholders excluding changes in fair value of currency hedging* increased by 28.7% to RMB2,414 mn
- ▲ Lower net gearing ratio at 56.8% in 2020 (vs 64.2% in 2019)
- ▲ Recommended a final dividend of HK26.80 cents per share (equivalent to RMB22.65 cents per share) for 2020, together with interim dividend of HK11.00 cents, full year dividend reached HK37.80 cents

Note: * Including foreign exchange forward contracts, foreign exchange option contracts and a foreign exchange swap contract

Overview

2020 Operational Achievements

- ▲ In 2020, contracted sales achieved RMB68.3 bn; light asset sales amounted to RMB34.3 bn, achieving total contracted sales of RMB102.6 bn, up 1.5%
- ▲ In 2020, contracted sales GFA amounted to 8.90 mn sq.m and contracted sales GFA from light asset projects reached 5.70 mn sq.m., achieving total contracted sales GFA of 14.60 mn sq.m., ranked No.11 in China*
- ▲ In 2020, contracted sales ASP was RMB7,683/sq.m., down 1.6%
- ▲ Market share in Henan reached 10.8% in 2020
- ▲ As at 31 Dec 2020, unrecognized contracted sales amounted to RMB87.7 bn, including RMB73.6 bn at the consolidated level and RMB14.1 bn at JCEs
- ▲ As at 31 Dec 2020, successfully secured management contracts for 246 light asset projects, with expected GFA of approximately 33.09 mn sq.m.
- ▲ Domestic credit rating of CCRE was upgraded from AA to AA+ by Dagong and China Chengxin in June 2020

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Financial Highlights

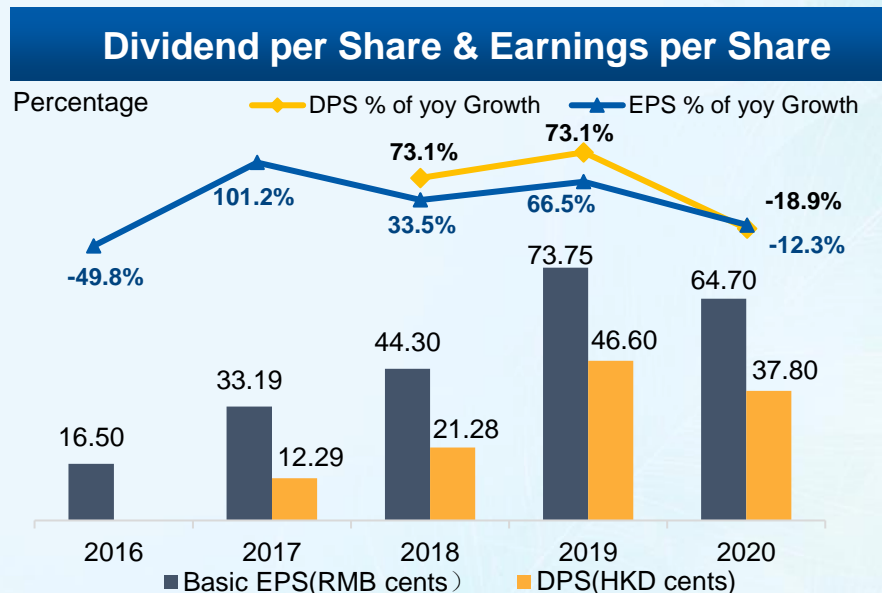
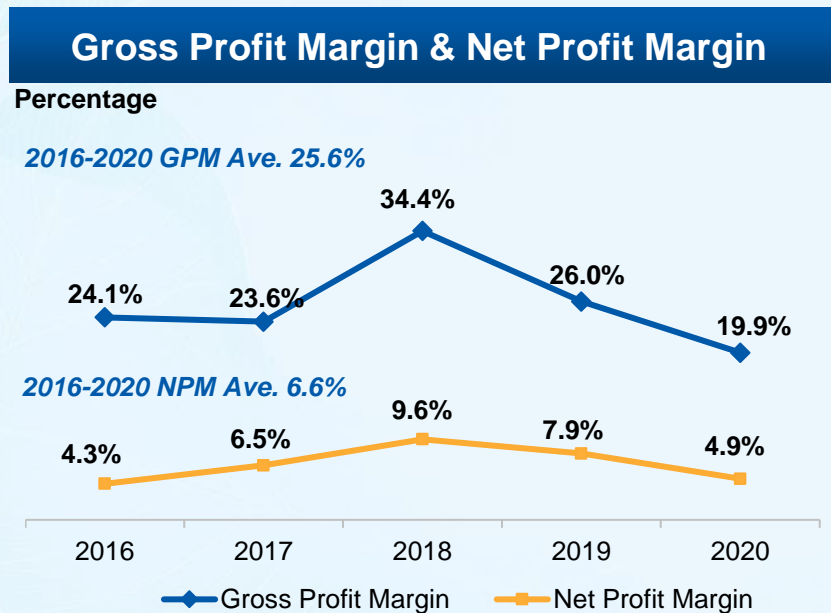
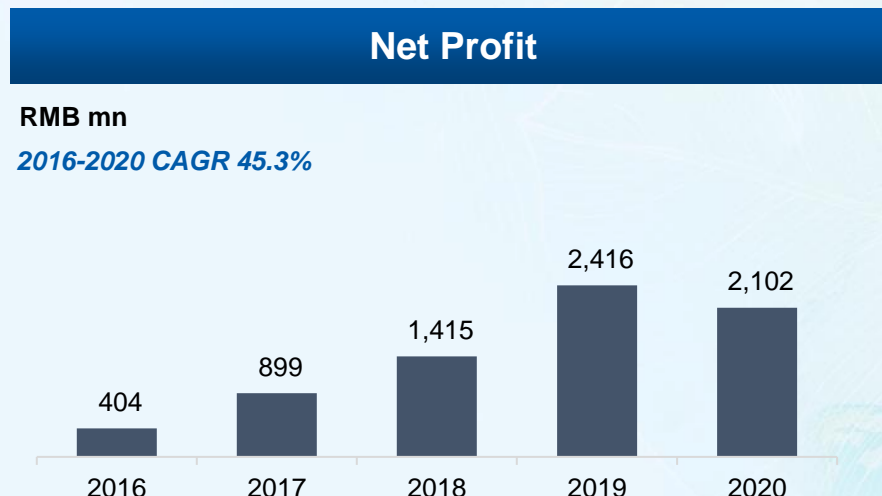
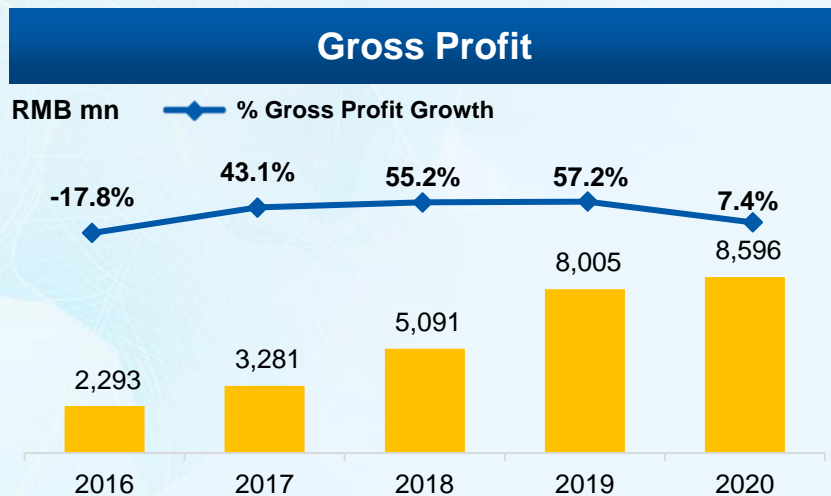
- Revenue increased by 40.8% to RMB43.3 bn, primarily due to the increase in GFA recognized
- Gross profit increased by 7.4% and achieved gross profit margin of 19.9%; the decrease in gross profit margin was mainly due to the adoption of destocking strategy to stimulate sales in the pandemic environment
- EBITDA increased by 3.4% to RMB7,174 mn on higher gross profit
- Net profit was lower at RMB2,102mn

	2020	2019	Change
Revenue (RMB mn)	43,304	30,767	+40.8%
Gross profit (RMB mn)	8,596	8,005	+7.4%
Gross profit margin	19.9%	26.0%	-6.1p.p.
EBIT (RMB mn)	6,868	6,638	+3.5%
EBIT margin	15.9%	21.6%	-5.7p.p.
EBITDA (RMB mn)	7,174	6,936	+3.4%
EBITDA margin	16.6%	22.5%	-6.0p.p.
Income tax (RMB mn)	2,834	2,701	+4.9%
Net profit (RMB mn)	2,102	2,416	-13.0%
Net profit margin	4.9%	7.9%	- 3.0p.p.
Profit attributable to equity shareholders of the Company (RMB mn)	1,802	2,015	-10.6%
Profit attributable to equity shareholders excl. changes in fair value of currency hedging (RMB mn)*	2,414	1,876	+28.7%
Basic earnings per share (RMB cents)	64.70	73.75	-12.3%
Diluted earnings per share (RMB cents)	63.60	72.34	-12.1%

Note: * Including foreign exchange forward contracts, foreign exchange option contracts and a foreign exchange swap contract

Financial Highlights (cont'd)

Historical profitability performance



Recognized Sales and GFA sold

▲ In 2020, revenue and recognized property sales increased substantially as a result of the surge in recognized GFA

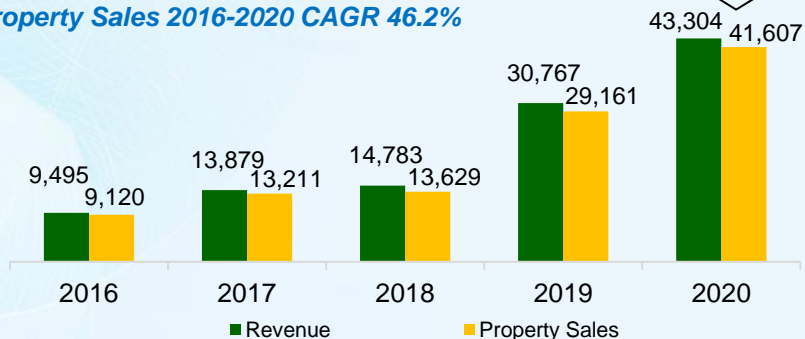
Revenue and Property Sales

RMB mn

Revenue 2016-2020 CAGR 46.1%

Property Sales 2016-2020 CAGR 46.2%

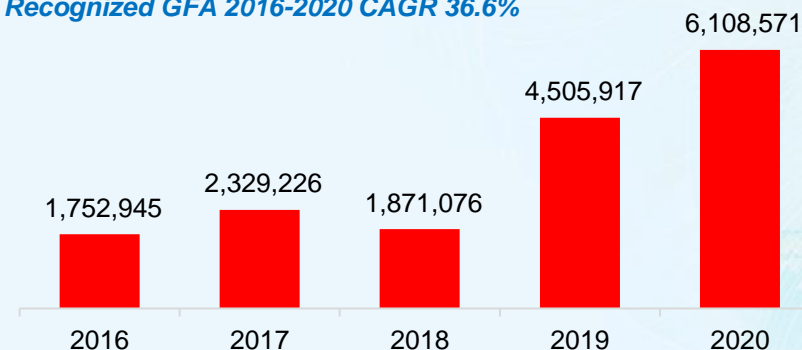
Revenue up 40.8%
Recognized property sales up 42.7%



Recognized GFA

sq.m.

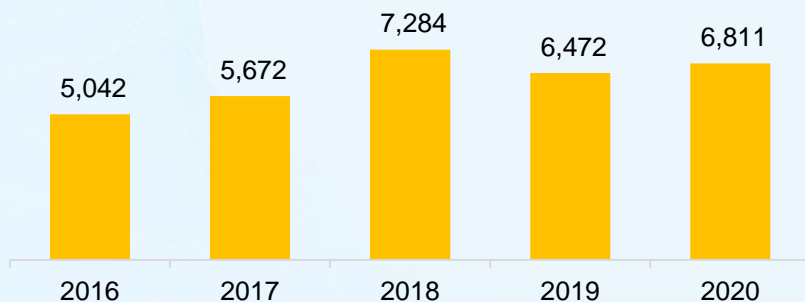
Recognized GFA 2016-2020 CAGR 36.6%



Recognized Average Selling Price

RMB per sq.m.

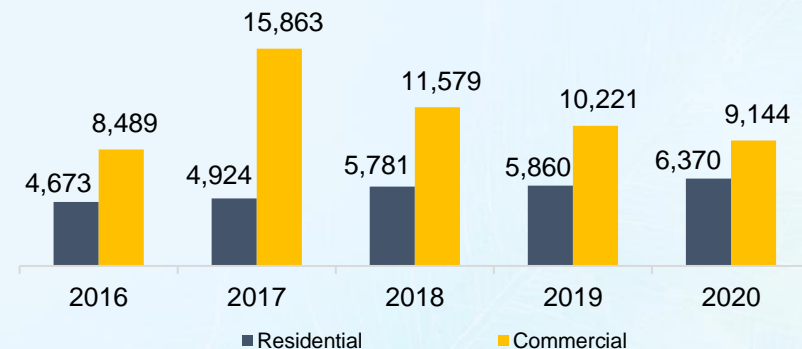
2016-2020 Ave. ASP RMB6,256/sq.m.



Recognized ASP by Property Type

RMB per sq.m.

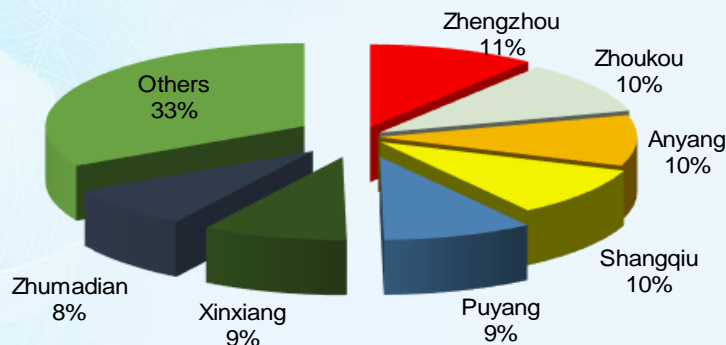
Residential ASP up 8.7% yoy



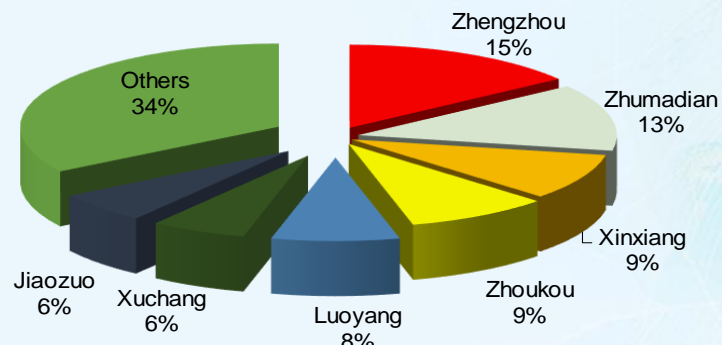
Recognized Sales and GFA sold (Breakdown by Cities)

- ▲ Zhengzhou projects accounted 11% of total recognized sales to RMB4.39 bn, with average GP margin of 17%
- ▲ Tier 3 & 4 cities contributed 82% of total recognized sales with average GP margin of 24%
- ▲ County level cities accounted for 7% of total recognized sales with average GP margin of 12%

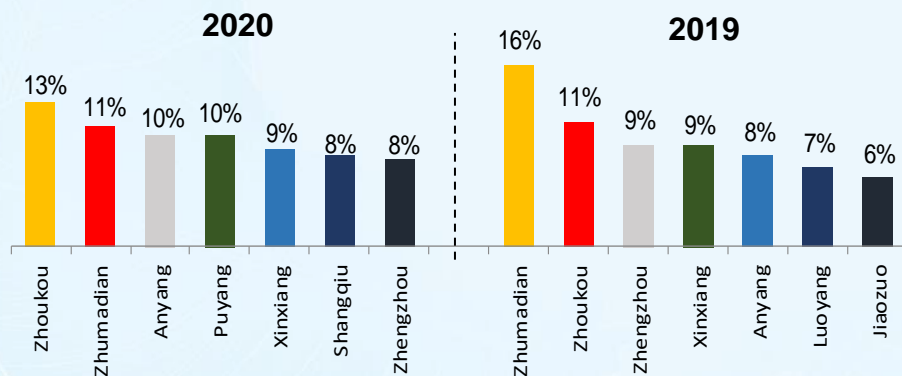
Recognized Sales in 2020



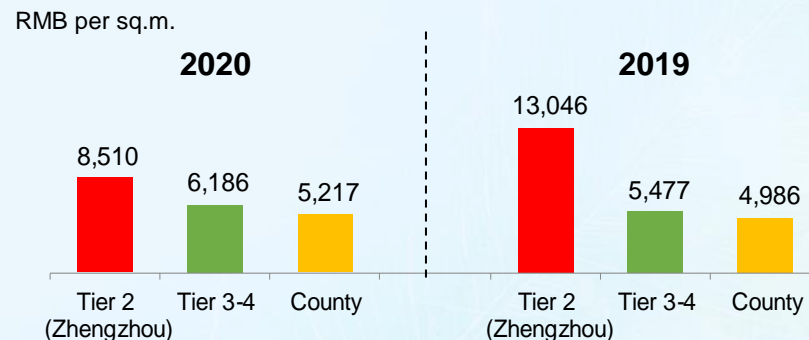
Recognized Sales in 2019



Recognized GFA



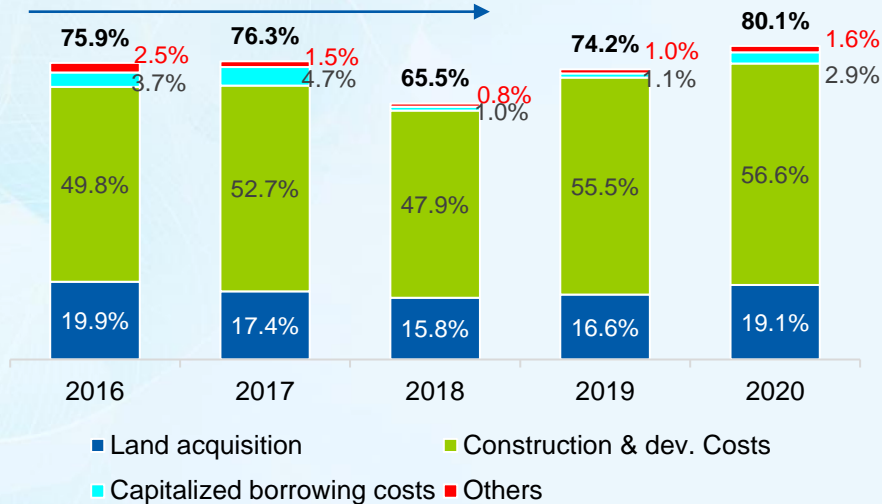
Recognized ASP (excluding carpark)



Cost Analysis

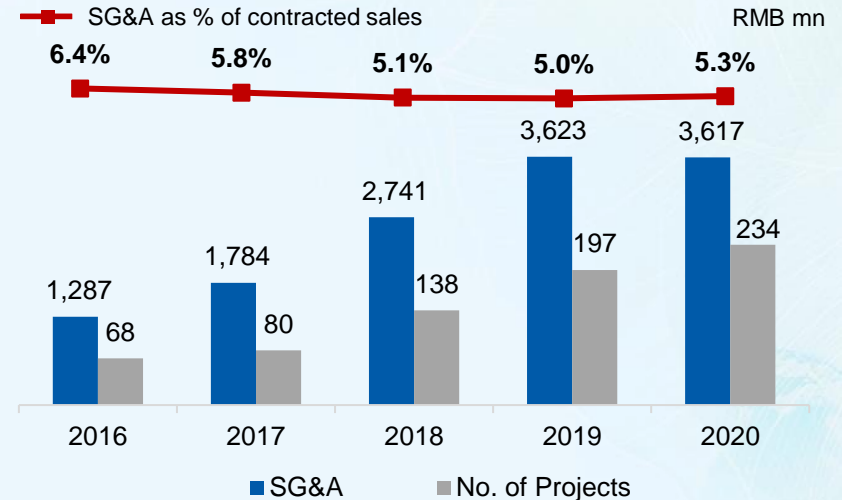
Cost of Sales (as % of revenue)

Stable cost structure



- ▲ In 2020, cost of sales as percentage of revenue increased 5.9p.p. to 80.1%
- ▲ Land acquisition costs as percentage of revenue has increased by 2.5p.p. to 19.1% in 2020

SG&A (as % of contracted sales)



- ▲ In 2020, the total SG&A as percentage of contracted sales maintained stable at 5.3%
- ▲ Selling & marketing expenses decreased by 1.6% to RMB1,871mn. The increase in number of sales staff and marketing expenses along with the overall company expansion was offset by the decrease of RMB303 mn in sports promotion expenses due to the pandemic
- ▲ General & administrative expenses increased by 1.4% to RMB1,746 mn

Balance Sheet Highlights

- ▲ Achieved high cash balance (incl. restricted cash) of RMB29.33 bn to cover 1.9 times short-term debt
- ▲ Total debt decreased by 0.6% to RMB31.30 bn
- ▲ Short-term debt increased by 21.9% to RMB15.26 bn, due to 1.1bn USD bonds maturing within the next 12 months; of which, the Company has already repaid a total of US\$700 mn senior notes due in February and March 2021
- ▲ Total shareholders' equity increased by 15.7% to RMB14.58 bn
- ▲ Book value per share increased by 7.8% to RMB4.96

(RMB mn)	31 Dec 2020	31 Dec 2019	Change
Cash	22,619	22,708	-0.5%
Cash plus restricted deposit	29,327	30,785	-4.7%
Total assets	163,901	143,967	13.8%
Total debt	31,304	31,491	-0.6%
Short-term debt	15,258	12,519	21.9%
Net current assets	14,406	13,185	6.5%
Total capitalization	45,886	44,093	4.1%
Total shareholders' equity	14,582	12,602	15.7%
Book value per share (RMB)	4.96	4.60	7.8%

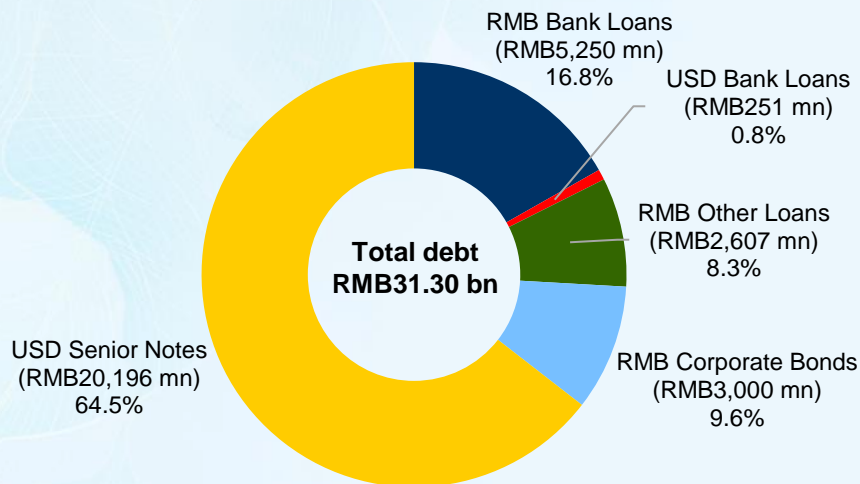
Key Financial Ratios

- Return on equity at 15.5% in 2020
- Low gearing level with net debt to equity ratio (including restricted cash) at 13.6%
- EBITDA/interest coverage ratio was 3.08 times in 2020
- Net debt/EBITDA ratio reached 1.21 in 2020
- Asset turnover increased to 28.1% in 2020

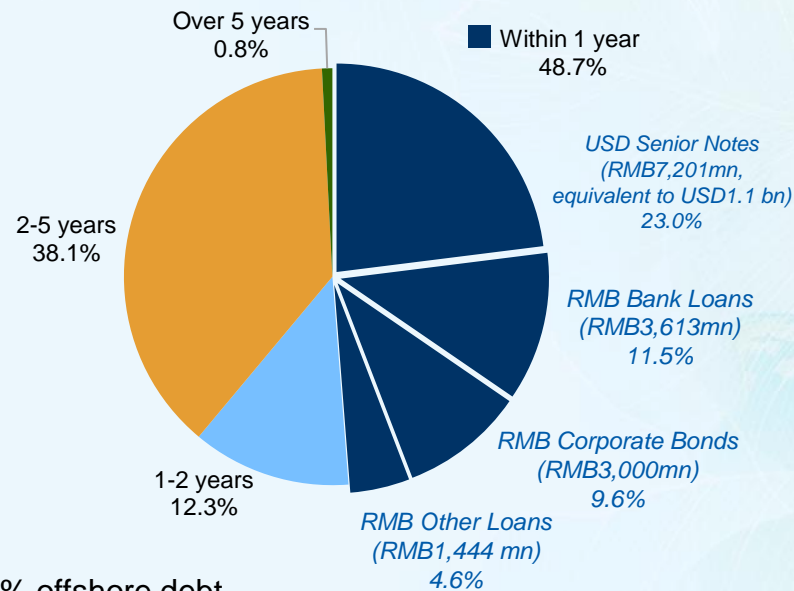
	2020	2019
Asset turnover	28.1%	25.0%
Return on equity	15.5%	21.1%
Return on assets	1.4%	2.0%
Net debt to total equity ratio (with restricted cash)	13.6%	5.6%
Net debt to total equity ratio (without restricted cash)	56.8%	64.2%
Total debt/total capitalization	68.2%	71.4%
Total liabilities/total assets	91.1%	91.2%
Current ratio (times)	1.11x	1.12x
Cash/short-term debt (with restricted cash)	192%	246%
EBITDA/interest (times)	3.08x	3.44x
Net Debt/EBITDA	1.21	1.17

Diversified Debt Profile

Funding Source



Debt Maturity with Short-term Debt Breakdown



- ▲ Diversified funding sources with 34.7% onshore debt and 65.3% offshore debt
- ▲ Maintained average debt maturity of 2.14 years as at the end of 2020
- ▲ Stable average funding cost at 7.4% as at 31 Dec 2020 (31 Dec 2019: 7.3%)
- ▲ Undrawn on-shore banking facility line amounted to RMB22.6 bn as at 31 Dec 2020
- ▲ The Company issued USD260mn Green Senior Notes in January 2021; and redeemed a total of USD700mn Senior Notes in February and March 2021 respectively
- ▲ Upgraded domestic credit rating from AA to AA+ in June 2020

Cash Flow Highlights

- ▲ Achieved net cash outflow of RMB89 mn
- ▲ Total contracted sales receipts at RMB60.5bn, achieved cash collection ratio of 89%
- ▲ Maintained high cash balance of RMB22.6bn as at 31 December 2020

(RMB mn)		2020 (Actual)	2020 (Budget)	2019 (Actual)	YoY Change
Initial cash position		22,708	22,708	14,202	
Inflow	Contract sales receipts	50,526	50,000	42,910	17.8%
	Contract sales receipts obtained from JCEs	9,998	10,000	14,740	-32.2%
	Amount obtain/repaid to JCEs & Other working capital movement	(10,441)	5,091	(9,298)	12.4%
	Bank & other loans, restricted cash, inflow/(outflow)	(3,255)	(1,580)	8,382	-138.8%
	Onshore/Offshore bond issuance	10,277	3,550	8,529	20.5%
	Total Cash Inflow	57,105	67,061	65,263	-12.5%
Outflow	Land acquisition related cashflow	(13,200)	(20,000)	(23,600)	-44.1%
	Construction costs	(24,370)	(26,000)	(20,530)	18.7%
	Redemption of Senior Notes	(6,510)	(4,970)	(1,397)	366%
	Finance costs	(2,587)	(2,860)	(2,105)	22.9%
	SG&A expenses	(6,543)	(6,800)	(5,264)	24.3%
	Income tax (LAT and CIT)	(2,517)	(3,900)	(3,141)	-19.9%
	Dividend	(1,467)	(779)	(720)	103.8%
Total Cash Outflow	(57,194)	(65,309)	(56,757)	0.8%	
End cash position		22,619	24,460	22,708	-0.4%

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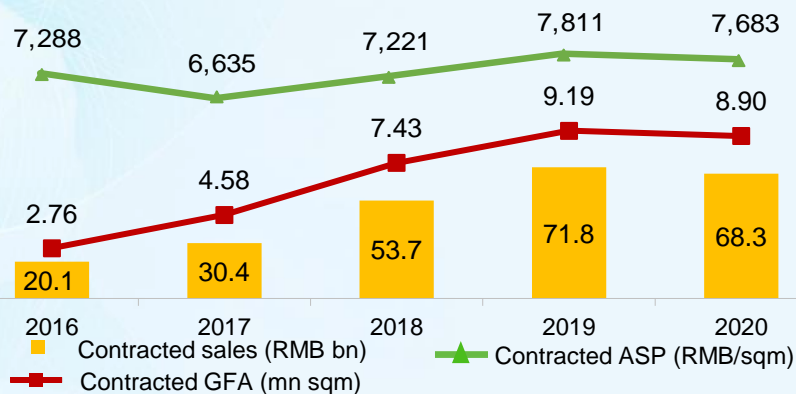
Contracted Sales – Market Leader

- ▲ Achieved market share of 10.8% in Henan in 2020, including contracted sales from light asset projects
- ▲ Contracted sales reached RMB68.3 bn in 2020, achieving a CAGR of 35.8% since 2016
- ▲ Leading market position with market share of over 10% in 14 out of 18 prefectural cities in Henan
- ▲ Achieved sell-through rate of approximately 66% in 2020 (vs 72% in 2019), on RMB103.2 bn saleable resources
- ▲ Contracted sales GFA achieved 8.90 mn sq.m., achieving a CAGR of 34.0% since 2016

Contracted Sales & GFA & ASP

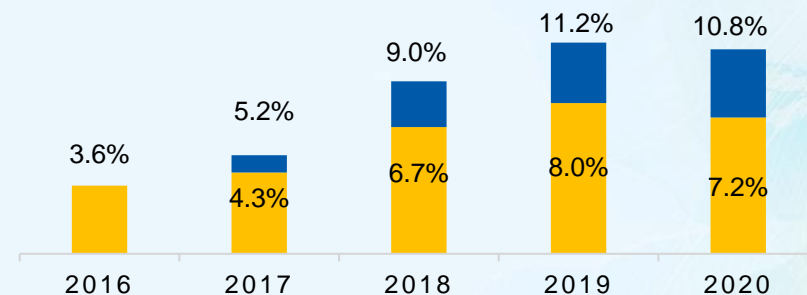
Sales 2016-2020 CAGR 35.8%

GFA 2016-2020 CAGR 34.0%



Market Shares in Henan Province (a)

■ Heavy Asset ■ Light Asset

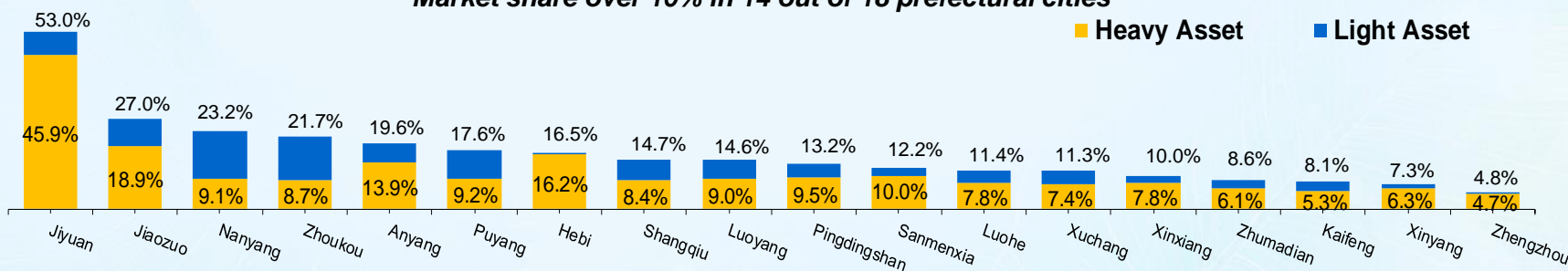


Market Share in Selected Cities (b)

% Market Share

Market share over 10% in 14 out of 18 prefectural cities

■ Heavy Asset ■ Light Asset

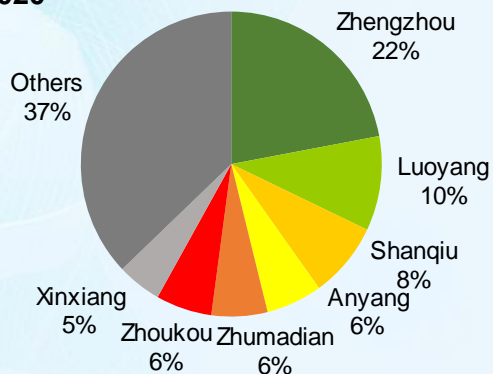


Contracted Sales Drivers in 2020

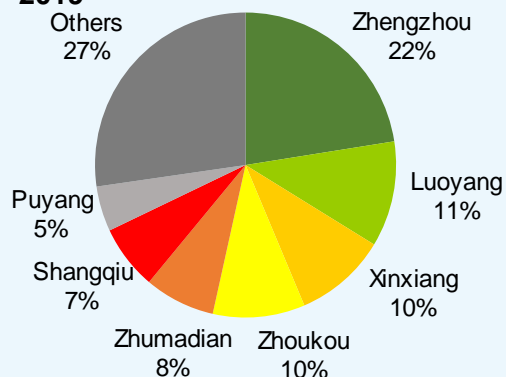
- Contracted sales were highly diversified across 89 cities and 234 diversified projects
- Contracted sales from Zhengzhou was RMB15.3 bn, accounted for 22% of total contracted sales in 2020
- Tier 3/4 accounted for 56% of sales (vs 51% in 2019), and county level accounted for 22% of sales (vs 27% in 2019)
- Sales from properties with ASP less than 11,000 was at 78% in 2020 reflecting high affordability
- Properties size between 90 to 144 sq.m. accounted for 66% of contracted sales in 2020

Contracted Sales by Cities

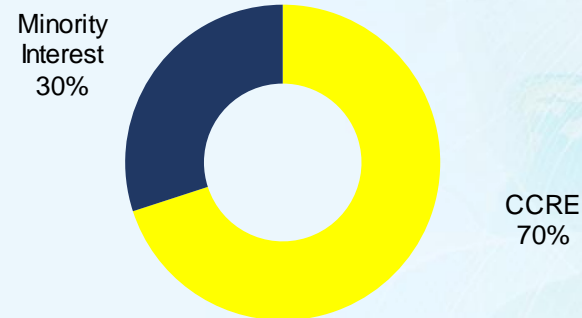
2020



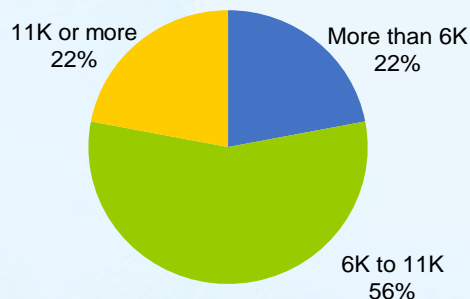
2019



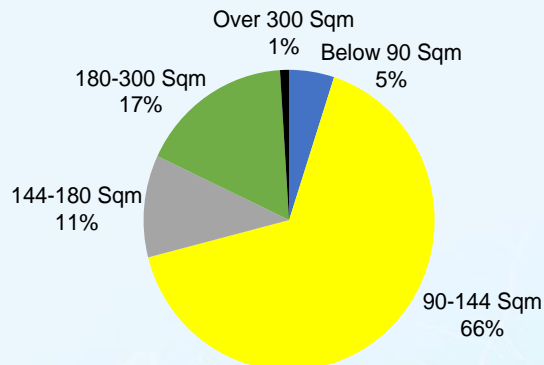
By Attributable Interest



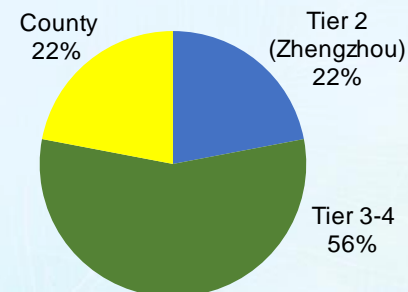
By ASP



By Unit Size



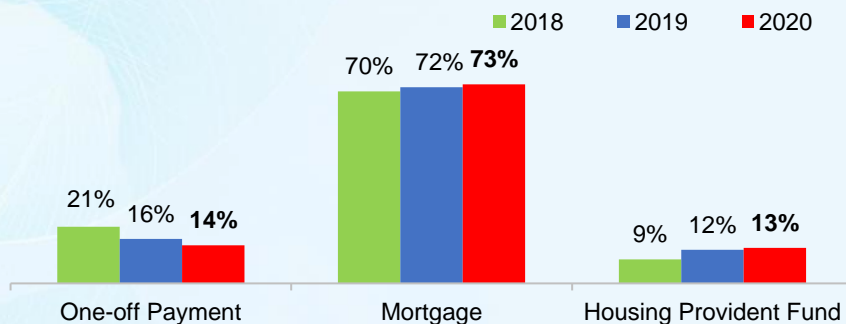
By City Level



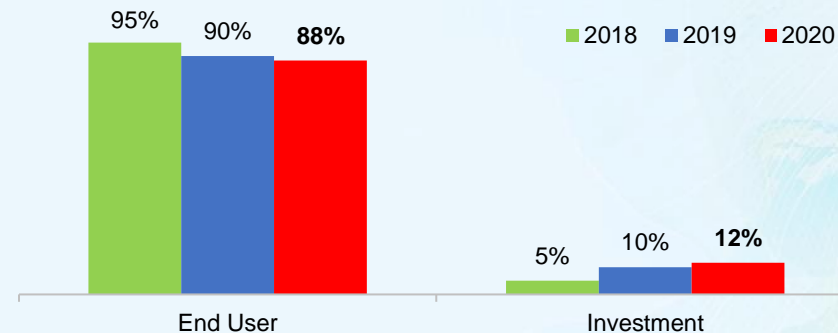
Customer Distribution

- Customer base consists of 88% end-users, with 95% were local buyers from Henan
- One-off payment buyers at 14%, mortgage payment buyers is higher at 73%, and buyers using HPF at 13%
- Affordable pricing with 79% of property unit sold under RMB1 million reflecting end-user market demand
- The number of units sold above RMB1 million was stable at 21% in 2020

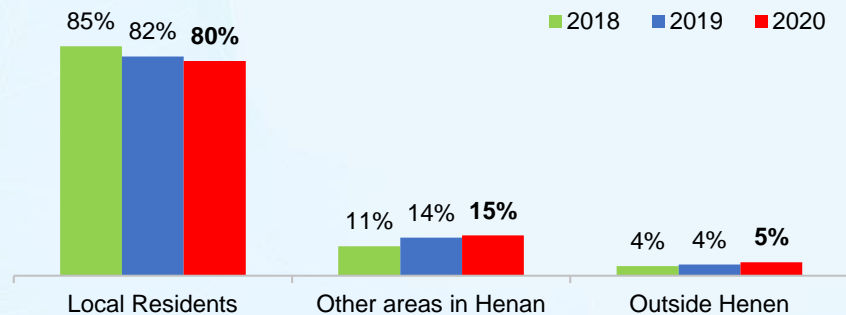
Breakdown of Purchasers by Payment Method



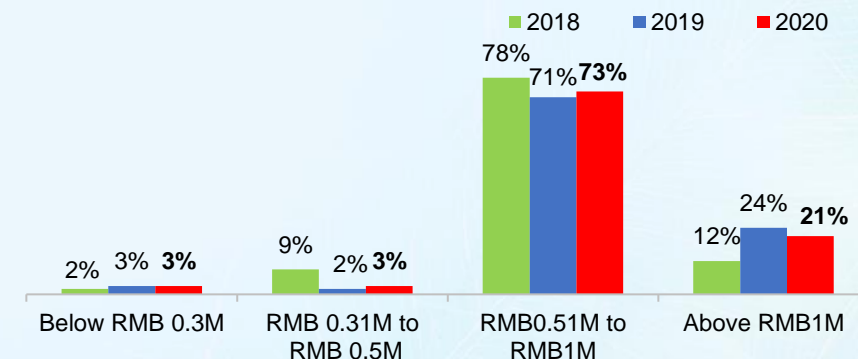
Breakdown of Purchasers by Usage



Breakdown of Purchasers by Region



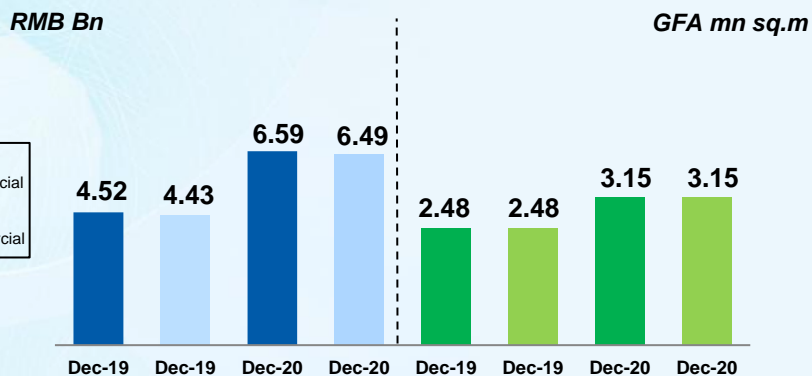
Breakdown of Purchasers by Selling Price



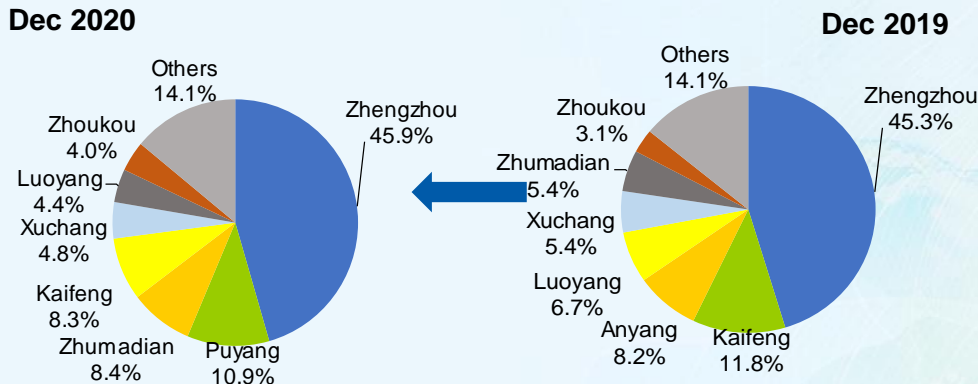
Inventory Analysis

- Successful destocking with total saleable inventory declined by 3.5% to RMB33.1 bn and saleable inventory GFA decreased by 7.3% to 3.8 mn sqm
- As at 31 Dec 2020, completed properties held for sales increased to RMB6.59 bn
- Saleable inventory in Zhengzhou amounted to RMB11.5 bn, representing 34.6% of total saleable inventory
- 76.5% of saleable inventories are residential properties and 12.3% commercial (By GFA)

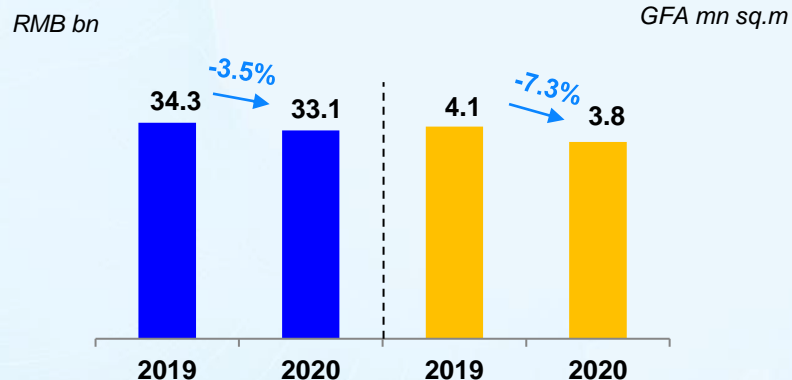
Completed Properties Held for Sales



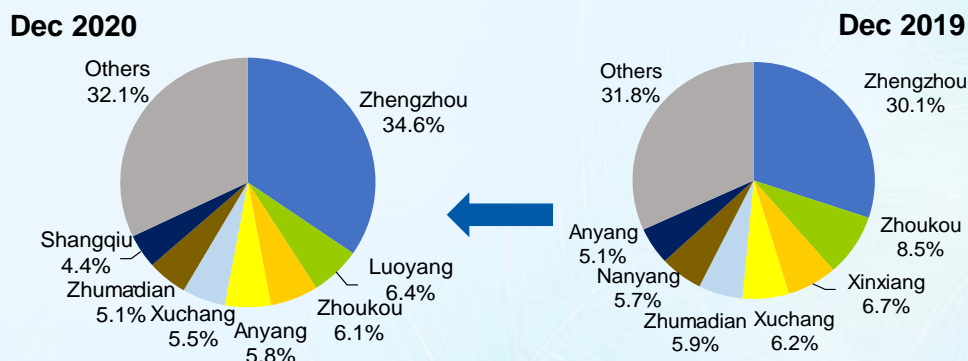
Proportion of Completed Properties Held for Sales



Total Saleable Inventory



Proportion of Total Saleable Inventory in RMB by City

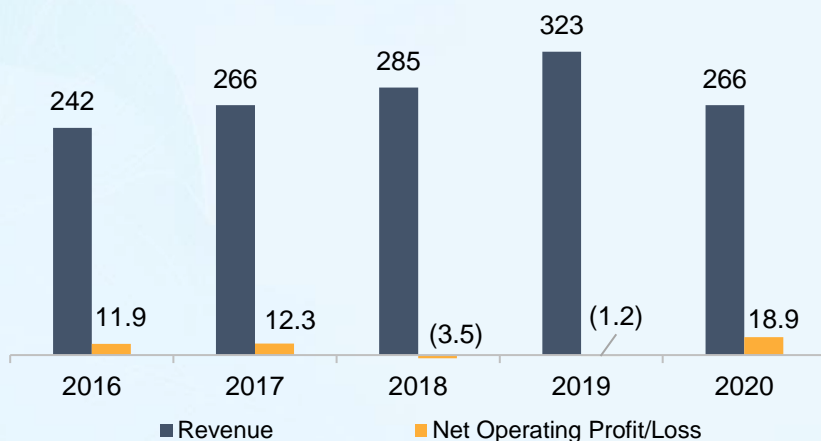


Hotel Operations

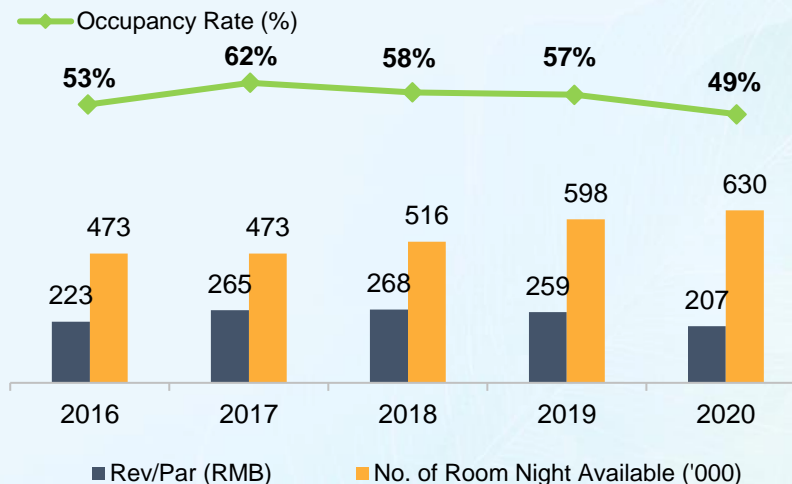
- ▲ In 2020 revenue from hotel operations decreased by 17.6% y-o-y to RMB266 mn, with GPM of 38.4%
- ▲ Room revenue decreased by 16.8% to RMB127 mn, while F&B and other revenue decreased by 18.3% to RMB139 mn
- ▲ Average occupancy rate decreased to 49% in 2020 (vs 57% in 2019) due to the pandemic
- ▲ RevPar at RMB207/room in 2020
- ▲ Net operating profit was RMB18.9 mn (vs net operating loss of RMB1.2 mn in 2019)
- ▲ In 2020, net loss from hotel operation was lower at RMB166 mn (vs RMB199 mn in 2019)

Hotel Revenue and Net Operating Profit/ Loss

RMB mn



Occupancy Rate vs RevPar and no. of Room Night Available



Hotel Operations



Hotel	No. of Guestrooms	Total GFA (sq.m.)	Occupancy Rate	y-o-y change	RevPar (RMB)	y-o-y change	Opening Time
Aloft Shangjie	172	19,457	53%	-26 p.p.	99	-36%	2011 Aug
Holiday Inn Nanyang	353	50,574	44%	-8 p.p.	157	-15%	2012 Aug
Four Points by Sheraton Luohe	244	37,398	54%	-11 p.p.	170	-18%	2012 Nov
Le Méridien Zhengzhou	337	64,721	62%	-16 p.p.	345	-26%	2013 Oct
Pullman Kaifeng Jianye	186	43,536	40%	-7 p.p.	274	-23%	2015 Nov
Yanling Jianye The MIST Hot Spring Hotel	51	19,951	16%	0 p.p.	283	-10%	2018 Feb
Zhengzhou Jianye Sky Mansion	302	34,252	43%	+8 p.p.	175	+24%	2018 Oct
Yuzhou Jianye Starry Hills	24	1,632	28%	--	113	--	2019 Sep
Xinyang Jianye Starry Hills	89	878	32%	--	89	--	2020 May
Total / Average	1,758	272,699	49%	-8 p.p.	207	-20%	

Light Asset Model Business – Leading Project Management Company in China

- As at 31 Dec 2020, the light asset business has achieved sustainable scale by entering into contracts for 246 light-asset projects, with a total planned GFA of approximately 33.09 mn sq.m. up 38.2% from 23.94 mn sq.m. as at 31 Dec 2019
- In 2020, revenue from the light asset model business was up 9.6% y-o-y to RMB1,121 mn
- The estimated unrecognized management fees from light asset projects amounted to approximately RMB2,790 mn
- The asset-light business have gradually expanded outside of Henan, with 13 projects in 6 provinces including Hainan, Xinjiang, Shanxi, Shaanxi, Hebei and Anhui as of the end of 2020

Unlock Brand Value

Target Customer

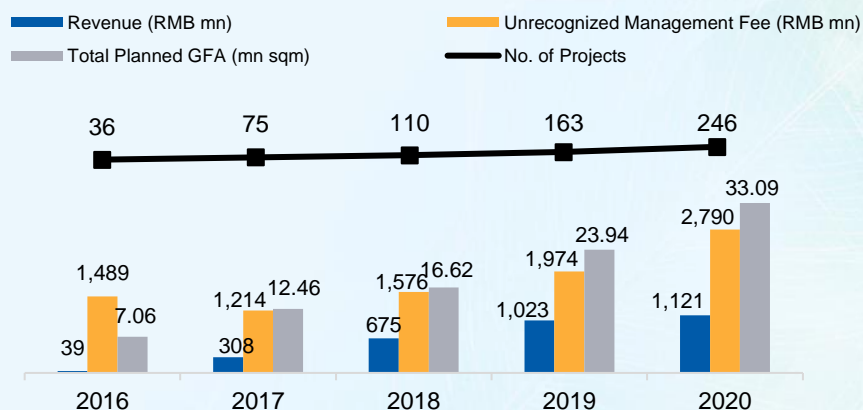
- High quality land owner
- Sufficient capital provided
- Highly recognized CCRE's culture
- Manageable market risk

Competitive Strength

- CCRE is the renown regional developer in Henan with high recognition and brand value
- CCRE has thorough management system and diversified market oriented products

Fee Structure

- Average Basic Management Fee: RMB214 /sq.m.
- Incentive Fee: 10-20% of selling price premium over pre-set ASP



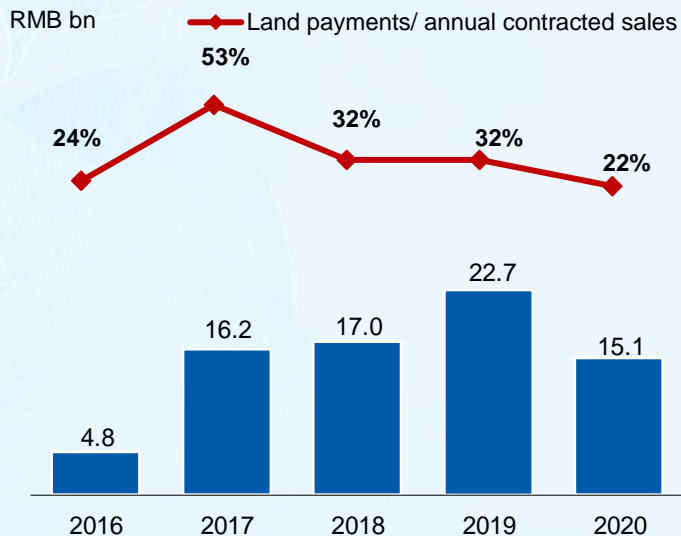
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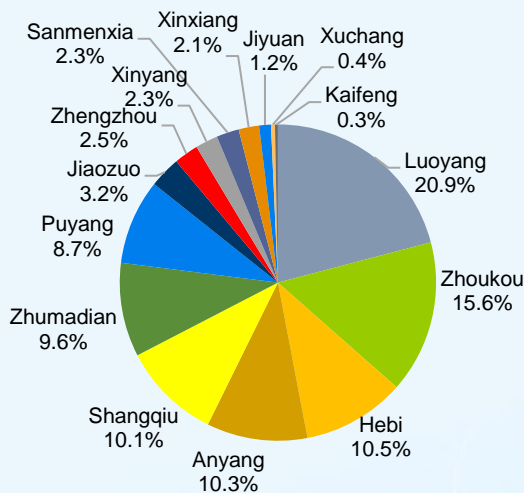
Land Acquisition Strategy in 2020

- Acquired a total of 9.18 mn sq.m. of new land bank at an average cost of RMB1,649/sq.m.
- Low land cost per sq.m. represents 21% of the contracted sales ASP of RMB7,683/sq.m in 2020
- In 2020, total land premium was RMB15.1 bn, accounted for 22% of 2020 contracted sales of RMB68.3 bn
- Consistent with the Group's strategy of controlling land cost, 71% (by GFA) of the new land in 2020 was acquired through equity acquisition or cooperation
- In 2020, the attributable interest of the new land acquired was as high at 63%

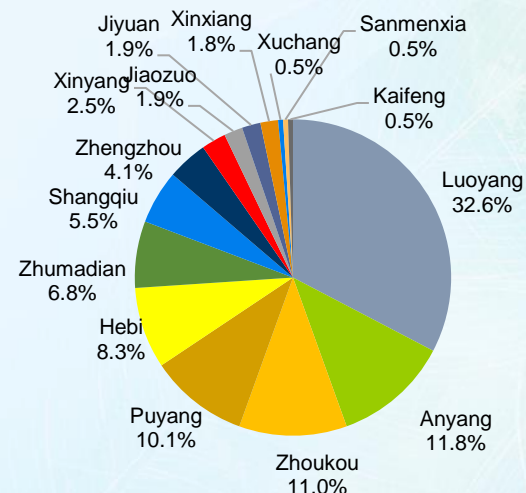
Total Land Premium and Total Land Premium as % of Contracted Sales



Land Acquisition by cities in 2020 (by GFA)



Land Acquisition by cities in 2020 (by RMB Mn)

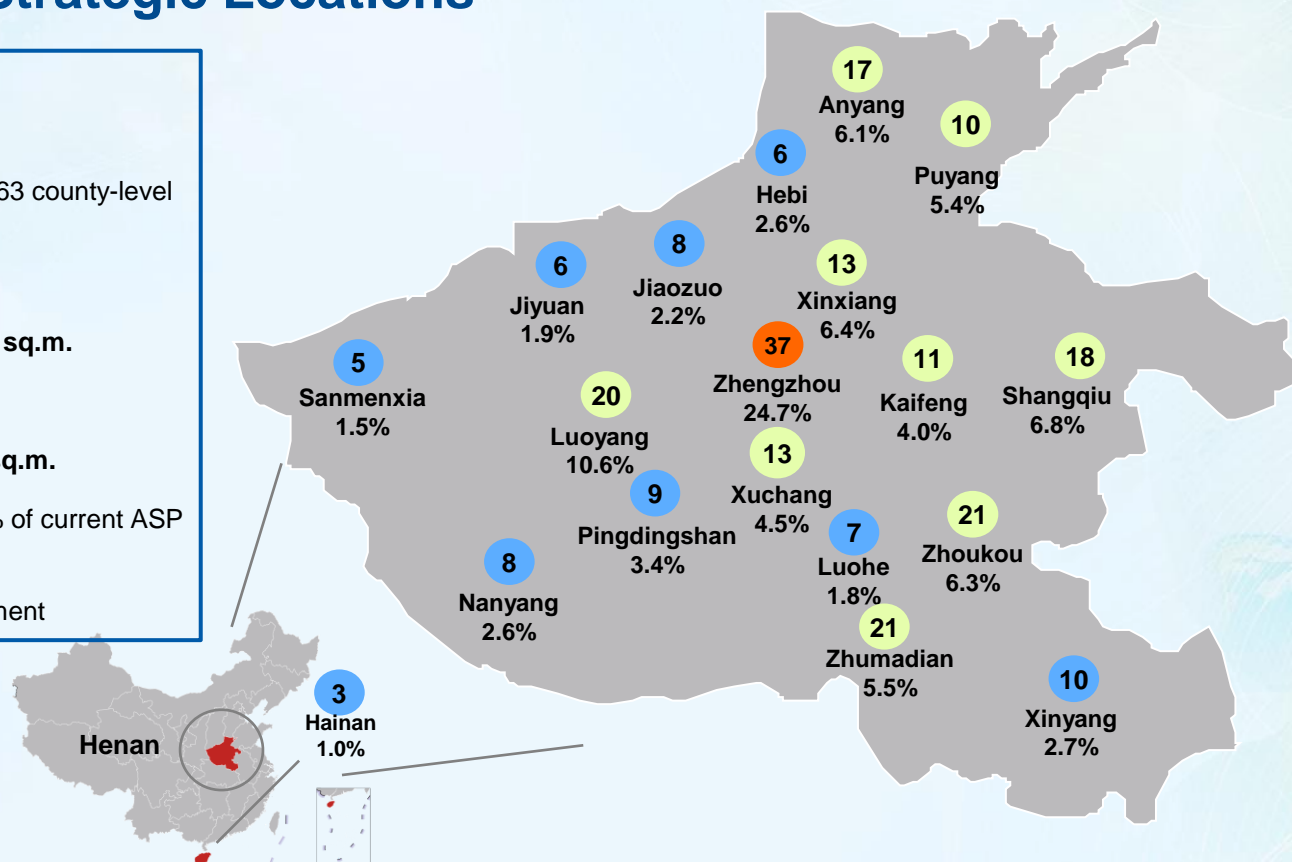


Land Reserves in Strategic Locations

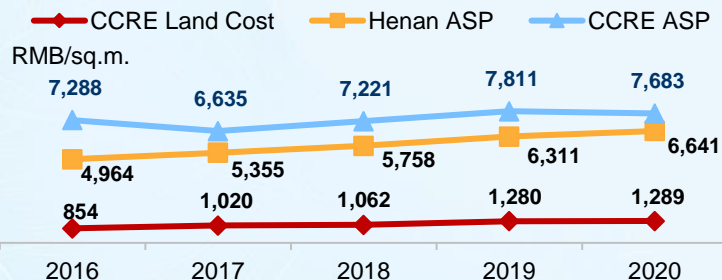
As at 31 Dec 2020:

CCRE has 243 projects spread out in:

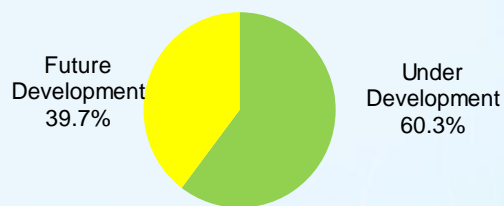
- ▲ 240 projects in 18 prefecture cities, 63 county-level cities in Henan
- ▲ 3 projects in Hainan
- ▲ Total GFA of land bank: **54,113,383 sq.m.**
- ▲ Attributable GFA: **40,290,353 sq.m.**
- ▲ Average land cost: **RMB1,289 per sq.m.**
- ▲ Low land per sq.m. land cost at 17% of current ASP to support future profit
- ▲ Land bank for 4-5 years of development



Higher ASP vs Lower Land Cost to Support Profit

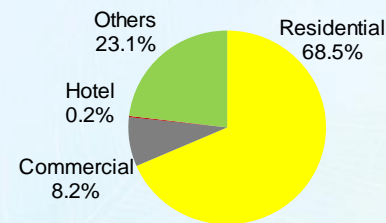


Development Stage



84% of land use rights obtained

Property Type

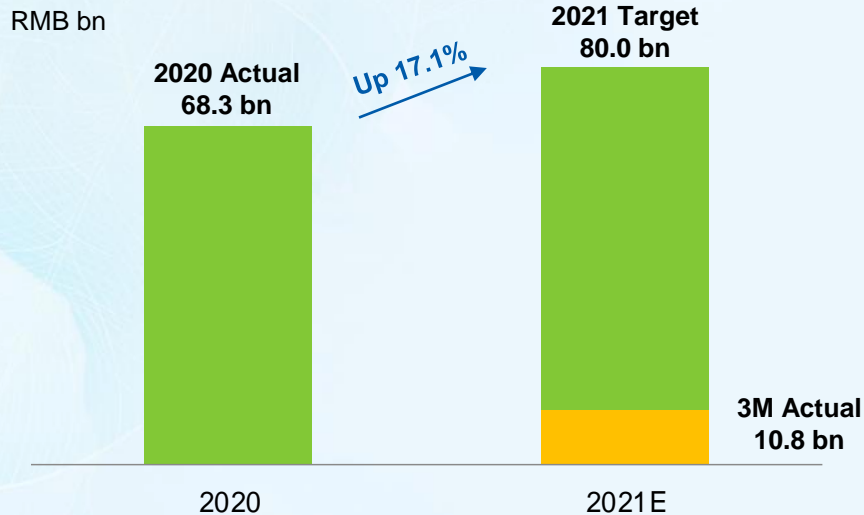


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2021 Contracted Sales Targets

2021 Contracted Sales Target



2021 GFA Target

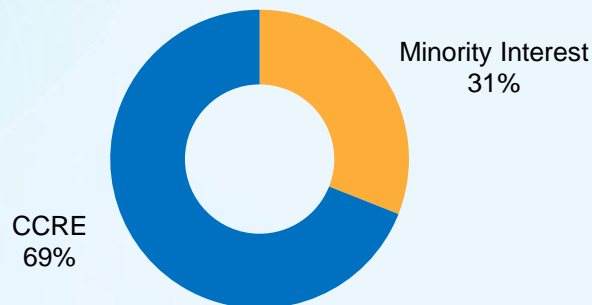


- ▲ 2021 contracted sales target of RMB80.0 bn
- ▲ Achieved contracted sales of RMB10.8 bn as at 31 Mar 2021
- ▲ Contracted sales GFA reached 1.39 mn sq.m. as at 31 Mar 2021
- ▲ Estimate ASP for 2021 to be RMB8,066/sq.m.
- ▲ Estimate total saleable resources of approximately RMB108.7 bn in 2021, including existing inventory (RMB33.1 bn) & new launches in 2021 (RMB75.6 bn)
- ▲ In 2021, to achieve the contracted sales target, requires a sell-through rate of approximately 74%

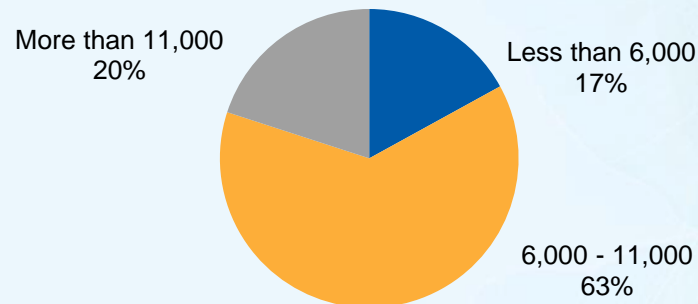
2021 Contracted Sales Plan

- 2021 contracted sales are well diversified across 268 projects in Henan with diverse price range
- Expect sales from Zhengzhou to account for 18% of total sales
- Contribution from tier 3/4 cities will be around 60%
- Expect sales from 72 county-level cities projects to remain at 22% in 2021
- Affordable ASP with 80% of contracted sales from projects with ASP less than RMB11,000/sq.m.

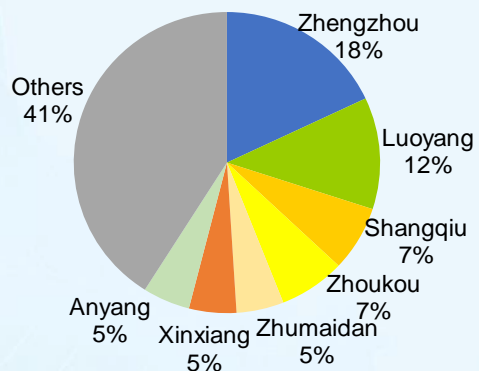
Attributable Interest



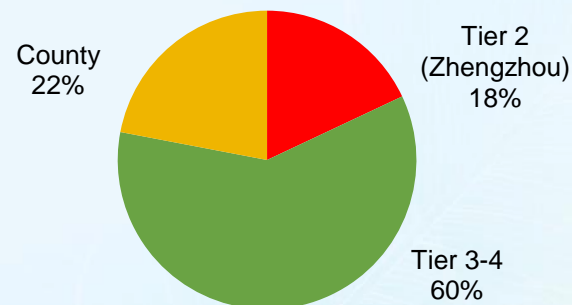
Contracted Sales by Selling Price



Contracted Sales by Cities



City Level Contribution



2021 Development Plan

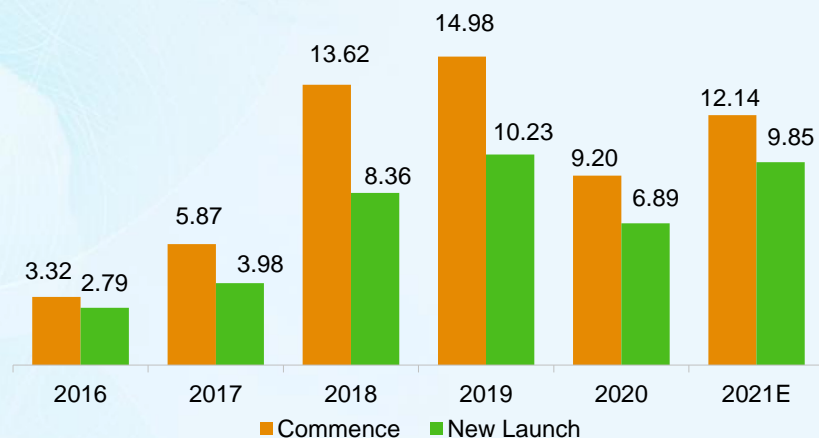
Commence & New Launch GFA

mn sq.m.

2016-2020 Commence GFA CAGR 29.0%

2016-2020 New Launch GFA CAGR 25.4%

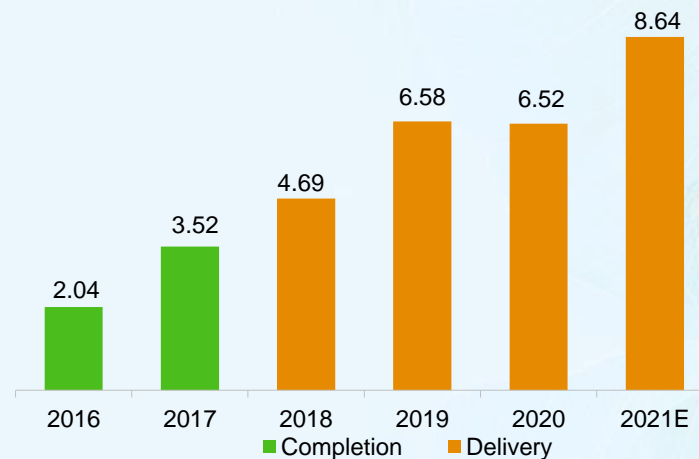
2021 Commence GFA +32% yoy
2021 New Launch GFA +43% yoy



Completion and Delivery

mn sq.m.

2021 Expected Delivery GFA +33% yoy



- 2021 plan to commence GFA construction of 110 projects with GFA of 12.14 mn sq.m., up 32%
- 2021 plan to launch 170 projects/phases with GFA of 9.85 mn sq.m., up 43%
- 2021 plan to deliver 84 projects with GFA of 8.64 mn sq.m., up 33%
- The company expects the development plan will support the contracted sales plan in 2021

Major Project Launch in 2021

No.	City	Project	Estimated Launch (RMB mn)
1	Zhengzhou	Zhengzhou Hegan YangFang	2,250
2	Zhengzhou	Zhengzhou Junlin Grand Courtyard	2,000
3	Luoyang	Luoyang Zhonghong City	1,399
4	Puyang	Puyang Jindi Road Project	1,235
5	Xinxiang	Xinxiang Huagong Road Project	1,100
6	Luoyang	Luoyang Chinoiserie Palace	1,092
Total			9,076



- ▲ The estimated saleable resource from the new project launch will be approximately RMB75.6 bn
- ▲ In 2021, estimated 170 projects/phases to be launched, representing 94% of full year targeted contracted sales of RMB80 bn
- ▲ Top 6 major projects launch in 2021 will account for 15% of 2021 targeted contracted sales
- ▲ Zhengzhou projects will account for 10% of new launch in sales value and 5% of GFA new launch
- ▲ New projects to be launched in major cities includes Luoyang (13%), Zhengzhou (10%), Shangqiu (7%), Xinxiang (6%) and Zhoukou (6%) (as proportion of 2021 new launch sales value)

Major Project Launch in 2021

Zhengzhou Jianye-Blossom Garden 郑州建业·花园里 (S1-5地块)



- ◆ GFA: 28,703 sq.m.
- ◆ Location: Intersection of Yingcai Street and Xiangshan Road, Huiji District, Zhengzhou City
- ◆ Facilities: Park, Jialu River, Convenient transportation
- ◆ Product: Decorated high-rise
- ◆ Est. ASP: RMB21,000/sq.m
- ◆ Land cost: RMB13,134/sq.m.

Luoyang Jianye - Dingding Palace 洛阳建业·定鼎府



- ◆ GFA: 184,519 sq.m.
- ◆ Location: Intersection of Dingding North Road and Zhuangyuanhong Road, Luoyang City
- ◆ Surrounding: Schools, Train station, Shangqinggong Forest Park
- ◆ Product: High-rise
- ◆ Est. ASP: RMB9,000/sq.m.
- ◆ Land cost: RMB3,870/sq.m.

Zhumadian Chinoiserie Palace Phase II 驻马店建业世和府二期



- ◆ GFA: 198,413 sq.m.
- ◆ Location: Southeast of the intersection of Pangushan Road and Tuanjie Road, Zhumadian City
- ◆ Surrounding : Schools, movie theaters, stadiums, Xiaoqinghe Park
- ◆ Convenient transportation
- ◆ Product: High-rise
- ◆ Est. ASP: RMB9,100/sq.m.
- ◆ Land cost: RMB4,920/sq.m.

Puyang Art Mansion 濮阳天筑



- ◆ GFA: 401,774 sq.m.
- ◆ Location: The intersection of Jindi Road and Weidu Road, Puyang City
- ◆ Surrounding: Wanda Plaza, Court, School, Longhu Lake
- ◆ Product: Modern high-rise, Townhouse
- ◆ Est. ASP: RMB9,000/sq.m.
- ◆ Land cost: RMB6,735/sq.m.

Cash Flow Forecast for 2021

- ▲ Continue to be prudent with cash flow management, estimate net cash outflow of RMB1.1 bn
- ▲ Land acquisition expenditure budget of RMB17.0 bn, with total unpaid land premium of RMB1.2 bn as at 31 Dec 2020
- ▲ Construction expenditure budget for 2021 is RMB24.5 bn
- ▲ Estimate a cash balance of RMB21.5 bn at the year end of 2021

(RMB mn)		FY2021 (Budget)
Cash position as at 31 December 2020 (excl. restricted cash)		22,619
Inflow	Contracted sales receipts	52,000
	Contracted sales receipts from JCE	11,000
	Amount obtain/repaid to JCEs & Other working capital movement	(9,130)
	Bank & other loan, restricted cash inflow/(outflow)	1,170
	Issuance of Senior Notes	6,812
	Total Cash Inflow	61,852
Outflow	Land acquisition	(17,000)
	Construction costs	(24,500)
	Redemption of Senior Notes	(7,201)
	Finance costs	(3,840)
	SG&A expenses	(6,767)
	Income tax (LAT & CIT)	(2,603)
	Dividend	(1,060)
Total Cash Outflow	(62,971)	
Estimated Cash position as at 31 December 2021		21,500

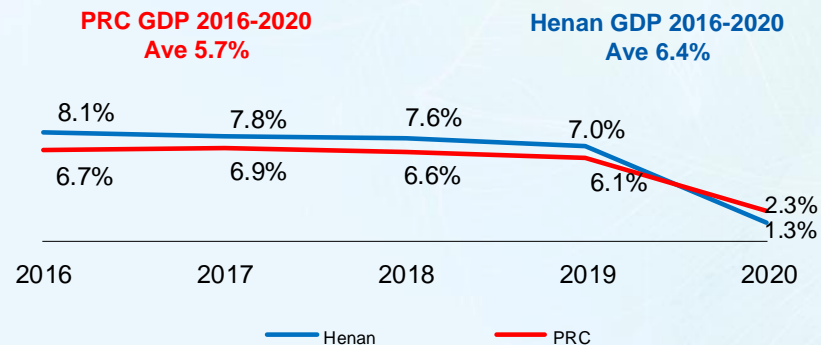
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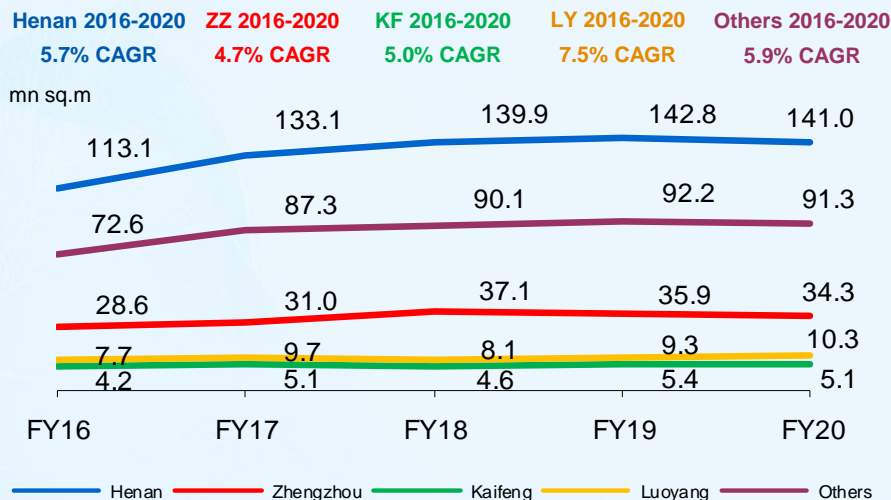
Market Review

- In 2020, Henan's GDP reached RMB5.50 trillion (5.4% of China's total GDP), achieving real GDP growth of 1.3%; the national real GDP growth was 2.3%
- In 2020, in terms of GFA sold, Henan property market down 1.2% y-o-y, the national property GFA sold grew by 2.6% y-o-y
- Contracted sales volume in lower tier 3 & 4 cities in Henan are displaying positive long-term trend with strong volume growth in Anyang +22.9%, Puyang +13.3%, Luohe +11.2% and Luoyang +10.7%
- Physical market in Zhengzhou was weaker with GFA sold declining by 4.7%

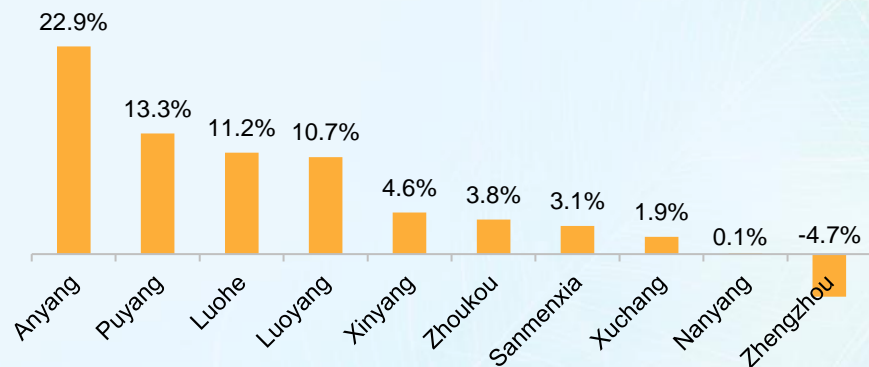
Above Average Real GDP Growth



Contracted Sale GFA



2020 Contracted GFA Sold Growth by Cities

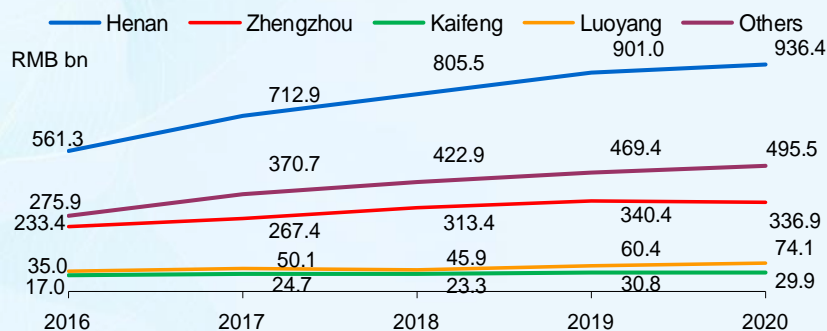


Market Review (cont'd)

- ▲ In 2020, Henan total contracted sales grew by 3.9% y-o-y to RMB936.4 bn (5.6% of China's total contracted sales)
- ▲ Henan's ASP grew by 5.2% y-o-y to RMB6,641/ sq.m. vs nationwide ASP growth of 5.9% at RMB9,859 /sq.m.
- ▲ Contracted sales was strong in some cities in Henan, such as Anyang +25.8% y-o-y, Luoyang +22.7% y-o-y
- ▲ Zhengzhou contracted sales decreased by 1.0% y-o-y, representing 36.0% of the Henan property market, with Zhengzhou ASP increasing by 3.8% y-o-y to RMB9,834/sq.m.

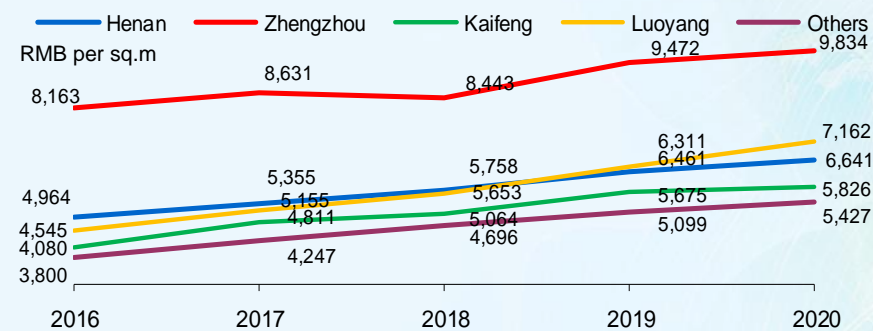
Contracted Sales

Henan 2016-2020 **13.7% CAGR** ZZ 2016-2020 **9.6% CAGR** KF 2016-2020 **20.6% CAGR** LY 2016-2020 **20.6% CAGR** Others 2016-2020 **15.8% CAGR**

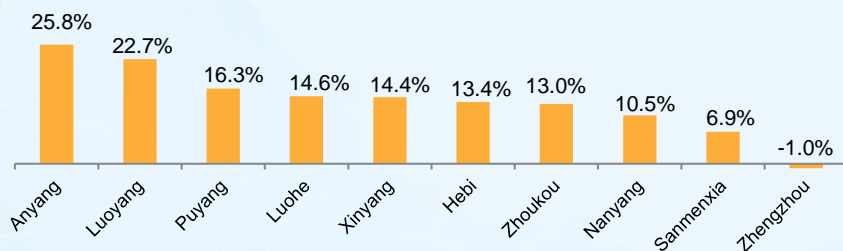


ASP

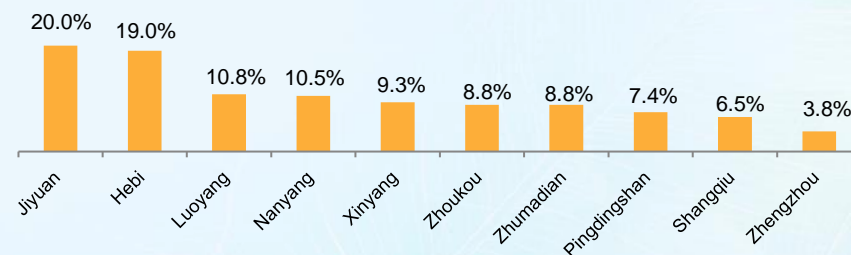
Henan 2016-2020 **7.6% CAGR** ZZ 2016-2020 **4.8% CAGR** KF 2016-2020 **9.3% CAGR** LY 2016-2020 **12.0% CAGR** Others 2016-2020 **9.3% CAGR**



2020 Contracted Sales Growth by Cities



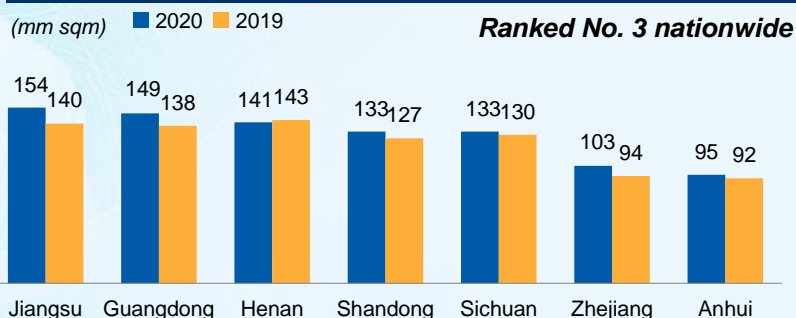
2020 ASP Growth by Cities



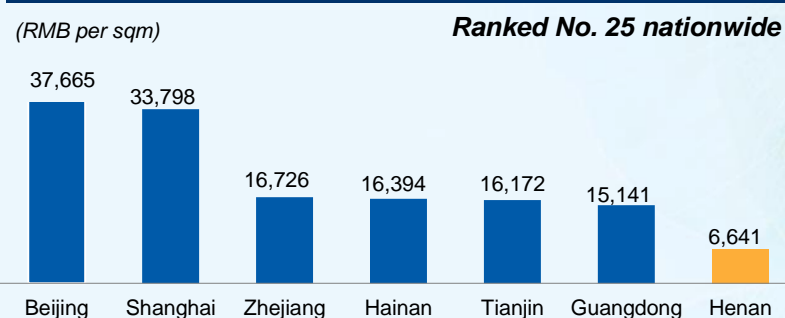
A Market with Strong Growth Potential

- ▲ Property market ranked 3rd largest by GFA sold, representing 8.0% of China's total property GFA sales for 2020
- ▲ Henan has a large population of 109 mn with rising urban disposable income per capita at RMB34,750 in 2020, up 1.6% y-o-y
- ▲ Rising urbanization rate of Henan at 53.2% in 2019 (up 1.5 p.p.) vs nationwide average urbanization rate of 60.6% (up 1 p.p.)
- ▲ Currently ranked 5th largest economy in China with GDP approximately USD844.9 billion, representing 5.4% of China's total GDP for 2020
- ▲ End-user market with high affordability, with average housing price at 8.9 times annual household disposal income

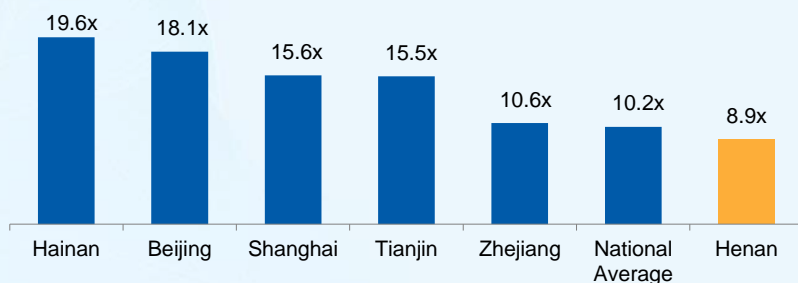
2020 Contracted Sales GFA – Sizeable Market



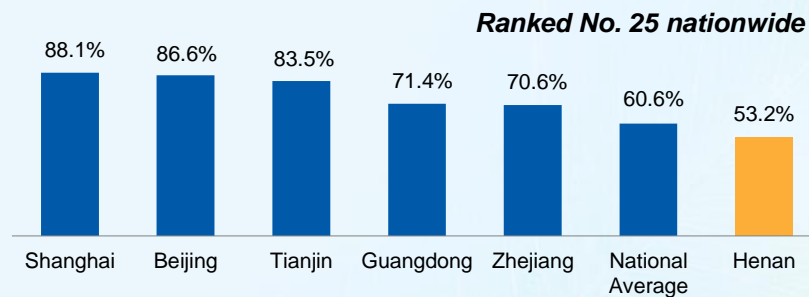
2020 ASP³ – Significant Room for Growth (RMB psm)



2020 Affordability Ratio² – Highly Affordable Properties



2019 Urbanization Rate – Strong Underlying Potential



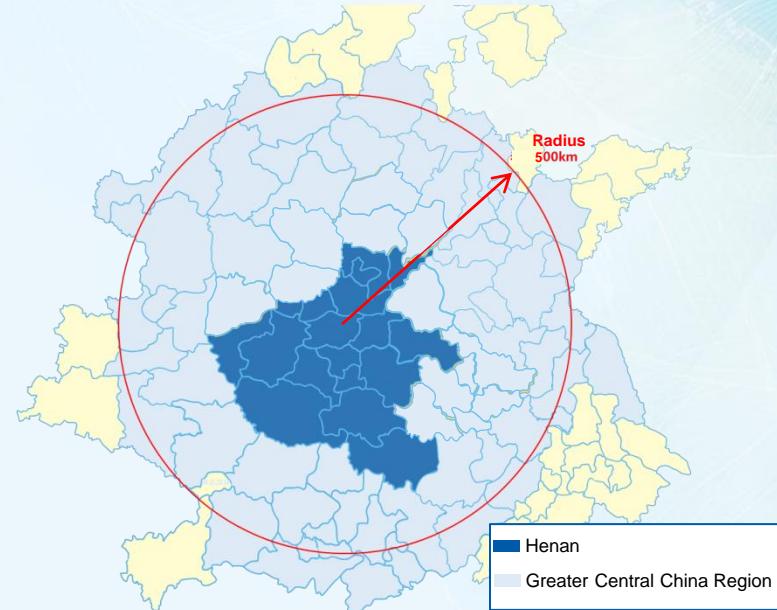
Source: Provincial Statistics 2019 & 2020;

Note: ¹ National average based on average of provinces in China; ² Affordability ratio = average price of a 100 sqm apartment / average annual household disposal income, assuming an average household size of 3; calculations are based on information as at 31 December 2020; lower number indicates better affordability; ³ Based on commodity properties;

Greater Central China Strategy

The Greater Central China Region

- ▲ Radius of 500 km from Zhengzhou
- ▲ Covers 83 provincial cities in 8 provinces (Henan, Hubei, Shandong, Anhui, Shanxi, Shaanxi, Hebei, Jiangsu), including 7 provincial capital cities
- ▲ Population of 430 million, accounting for 30.3% of total population in China
- ▲ 84.3% of high speed rail coverage in the Region



Potentials in the Great Central China Region

Larger Economic Scale



- ▲ Total GDP of RMB25.0 trillion in 2019, accounting for 25.3% of China's GDP
- ▲ Per capita GDP (RMB/per person): RMB58,958 (Henan: RMB56,388)
- ▲ Per capita disposable income: RMB27,233 (Henan : RMB23,903)

Larger Accessible Market



- ▲ **Sales:** Commodity housing sales accounted for 24% of China's total sales
- ▲ **GFA:** GFA of commodity housing sold accounted for 30% of China's total GFA sold
- ▲ **ASP:** ASP of the Greater Central China was RMB7,467 in 2019 (Henan ASP: RMB6,311)

Rising Urbanization Level Provides Significant Room for Growth



- ▲ The Greater Central China urbanization rate is 57.4%, 3.2 p.p. lower than national urbanization rate (Henan: 53.5%)
- ▲ The 14th-Five Year Plan will be the driving force of urbanization, with a target to raise urbanization rate to 65% by 2025

Market Outlook

The Macro-Economy Environment

- ▲ Facing the severe and complicated environment at home and abroad in 2020, especially the severe impact of the COVID-19 epidemic, China's economy continued to recover steadily, taking the lead in realizing positive growth among the major economies in the world, and its total economic output reached a new level of RMB100 trillion. China's GDP reached RMB101.6 trillion, representing a year-on-year growth of 2.3%
- ▲ In 2020, Henan's GDP reached RMB5.49 trillion, representing a year-on-year growth of 1.3%. Under the leadership of the provincial party Committee and the provincial government, the whole province made overall plans to promote epidemic prevention and control and economic and social development. They also did a solid job of "six stability", and fully implemented the task of "six guarantees". The province's production and supply had been continuously improved, market demand had steadily recovered, and economic operation had shown a sustained and stable recovery trend. The 13th Five-Year Plan ended successfully

The Property Market

- ▲ The central government adhered to the principle of "housing is for accommodation, not for speculation". In the first half of the year, affected by the COVID-19 epidemic, local governments frequently introduced real estate-related support policies, and the market recovered rapidly. Since the second half of the year, The central government emphasized that real estate should not be used as a means to stimulate the economy in the short term and the "three red lines" have been implemented on a pilot basis to promote the rational return of the market. The investment in real estate in China amounted to RMB14.14 trillion in 2020, representing an increase of 7.0% y-o-y, and the area of commercial housing sold amounted to 1.76086 billion sq.m., representing an increase of 2.6% y-o-y
- ▲ Henan Province made overall plans for epidemic prevention and control, housing and urban rural construction, tackling difficulties and taking responsibility. It adhered to the positioning of "housing is for accommodation, not for speculation", and ensured the stable and healthy development of the real estate market. All localities implemented policies based on cities, implemented the goals of stabilizing land prices, housing prices and expectations
- ▲ In 2021, under the general tone of the policy of "housing is for accommodation, not for speculation", it is expected that Henan Province will adapt to local conditions and adopt multiple measures to promote stable and healthy development of the real estate market. Maintaining the basic balance between supply and demand in the market, there will be a certain degree of market differentiation in various cities in the province



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