

Newsletter

October 2022

Central China Real Estate Limited is one of the leading Henan-based property developers, focusing on developing high-quality residential properties. With 30 years of development history, CCRE is the pioneer in adopting a “Provincial Strategy” and has achieved full coverage in Henan province with presence in 18 prefecture cities and 104 county-level cities in 2019. Known for its outstanding product quality, strong brand and experienced management team, CCRE ranked 1st among 2021 Top Chinese Real Estate Companies in Terms of Overall Strength in Henan and 2021 Top 100 Outstanding Real Estate Enterprises in China by Guandian Index Academy, and ranked 353th in the Fortune 500 China List in 2021.

LATEST NEWS

✓ **CCRE Achieved Contracted Sales of RMB1.47 billion in September 2022, Down 15.3% m-o-m**

In the month of September 2022, CCRE achieved property contracted sales of RMB1,470 million, representing a m-o-m decrease of 15.3%, with a contracted sales gross floor area GFA of 225,268 sq.m., representing a m-o-m decrease of 15.2%, and with the average selling price ASP amounted to RMB6,524 /sq.m. representing a m-o-m decrease of 0.1%.

For the nine months ended 30 September 2022, CCRE achieved total property contracted sales of RMB19,363 million, representing a y-o-y decrease of 56.0%. The total contracted sales GFA achieved 2,703,308 sq.m., representing a y-o-y decrease of 53.1%. The ASP for the first eight months of 2022 was RMB7,092 /sq.m., representing a y-o-y decrease of 6.2%.

- ✓ **CCRE Delivered over 3,800 units in Shangqiu, Luoyang, Pingdingshan and Zhumadian city during National Day Holiday**
- ✓ **On 29 September 2022, PBoC and CBIRC to Loosen the Floor on First-home Mortgage Rate**
- ✓ **On 30 September 2022, Ministry of Finance Announced to Refund Individual Income Tax on Home Sales**
- ✓ **PBoC to Lower the Interest Rates on HPF Loans for First-home Buyers**

On 30 September 2022, PBoC announced to lower personal housing provident fund loans for first-time home buyers by 0.15 p.p. starting from 1 October 2022, the interest rates for HPF loans 5 years or less and over 5 years were adjusted to 2.6% and 3.1% respectively.

Stock Data (as at 14 October 2022)

Price/share: HK\$ 0.275	Market Cap: Approximately HK\$838.8 mn	52-Week Range: HK\$0.26 – HK\$1.33	Shares Outstanding: 3,050 mn shares
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Contracted Sales in September were Supported by:

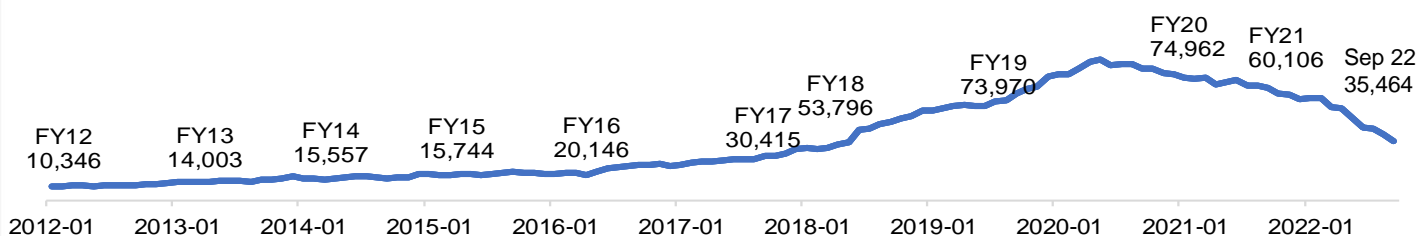
- Zhengzhou projects accounted for approximately 7% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 57% of the sales;
- County level cities projects in Henan contributed 36% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 229 projects/phases located in the tier 2,3,4 cities and county level cities in Henan;
- In September, 94% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

Summary Breakdown of the Contracted Sales in September 2022:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Shangqiu	Yongcheng Jianye Lianmeng Dongwang	140	22,463	6,218
Zhoukou	Huaiyang Jianye Binhe Yuanzi	55	10,179	5,371
Zhumadian	Zhumadian Jianye Chinoiserie Palace	50	6,414	7,788
Puyang	Puyang Jianye Sky Mansion	46	4,627	10,000
Shangqiu	Shangqiu Yuelong Palace	37	5,198	7,189
Nanyang	Nanyang Longyue City	26	2,628	10,035
Zhengzhou	Zhengzhou Jianye Taihong	26	2,663	9,829
Anyang	Anyang Jianye City	25	4,050	6,290
Shangqiu	Shangqiu Jianye Art Mansion Phase II	25	4,304	5,762
Shangqiu	Shangqiu Jianye Shangheyuan	24	3,676	6,410
Luoyang	Luoyang Jianye Ding ding Palace	22	2,710	8,025
Luoyang	Luoyang Jianye Zhonghong City	21	1,982	10,756
Hebi	Hebi Jianye Longmen Qihao Yuan	21	2,901	7,135
Luoyang	Luoyang Jianye Binhe Longfu	20	1,831	10,970
Shangqiu	Yucheng Jianye Songshan Mansion	19	3,476	5,378
Zhoukou	Fugou Jianye Xincheng	19	4,263	4,370
Zhengzhou	Zhengzhou Jianye Fujin Huayunkou	17	726	23,694
Zhoukou	Zhoukou Jianye City	17	3,378	5,043
Shangqiu	Shangqiu Jianye Shenhua Jiangshan Mansion	17	2,752	6,061
Jiaozuo	Jiaozuo Jianye Palace	15	1,897	8,083
	Others	828	133,151	6,219
Total		1,470	225,268	6,524

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



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Major Project Launch

In the month of September, CCRE launched 6 new projects/phases. The aggregate saleable resources of the new launch is RMB597 mn. The first day of launch achieved an average sales/subscription rate of 57%, with sales subscription to be converted into contracted sales over the coming months.

A Summary of the Major Projects Launched in September 2022 is Provided Below :

Project	Launch Date	Saleable Contracted Sum (RMB Mn)	Amount Sold in the First Day of Launch (RMB Mn)	Sales / Saleable (%)	Saleable GFA (sq.m.)	GFA Sold in the First Day (sq.m.)	GFA Sold / Saleable (%)
Luoyang Jianye Palace	11/09/2022	23	3	11%	2,584	287	11%
Huaibin Jianye Huaihe Yuanzi	17/09/2022	29	9	32%	6,046	1,918	32%
Yongcheng Lianmeng Dongwang	24/09/2022	448	306	68%	66,902	45,700	68%
Shangqiu Chengyuan	24/09/2022	8	0	0%	315	0	0%
Jianye Forest Peninsula Phase VII	24/09/2022	32	7	22%	5,780	1,184	20%
Yichuan Jianye Longfu	30/09/2022	57	14	25%	9,813	2,520	26%
Total		597	340	57%	91,441	51,610	56%

Henan Property Market Sales Down 16.7% y-o-y in 8M22, while CCRE Achieves Market Share 4.0%

In the first eight months of 2022, the Henan real estate market contracted sales was down 16.7% y-o-y to RMB448.21 bn (8M21: RMB538.08 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (without light asset) for the first eight months of 2022 reached RMB17.65 bn, representing a market share of 4.0%¹ for the total Henan real estate market.

Henan transaction volume in the first eight months of 2022 reached 73.09 mn sq.m., representing a y-o-y decrease of 9.2% (8M21: 80.52 mn sq.m.). In terms of contracted GFA (without light asset), as at the end of August 2022, CCRE accounted for 3.4%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first eight months of 2022 was RMB6,132 /sq.m., down 8.2% y-o-y (8M21: ASP RMB6,683 /sq.m.).

Notes: ¹CCRE's contracted sales as at 31 August 2022/ Total contracted sales of Henan Province as at 31 August 2022 from Henan Provincial Bureau of Statistics;

²CCRE's contracted GFA as at 31 August, 2022/ Total contracted GFA of Henan Province as at 31 August 2022 from Henan Provincial Bureau of Statistics.

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Land Acquisition

In September 2022, the Company did not acquire any new land.

As of the end of September 2022, the Company acquired a total GFA of 886,418 sq.m. in 2022, with land premium of RMB1,319 mn. The land premium attributable to CCRE was RMB691 mn and estimated attributable GFA was 443,633 sq.m.. The average land cost was RMB1,488 /sq.m..

A Summary of the Land Acquisition in 2022 is Provided Below:

Date	Project Name	City	Land Acquisition Method	Project Type (Residential=R, Commercial=C, Carpark=K)	Ave. GFA Land Cost (RMB/sq.m.)	Total GFA (sq.m.)	Attr. Land Premium (RMB Mn)	Attributable GFA (sq.m.)	CCRE Int (%)
06/01/2022	Xiping Spring Time	Zhumadian Xiping County	Cooperation	R, K	1,047	9,165	5	5,041	55%
17/01/2022	Shangqiu Huasheng Road Project	Shangqiu	Cooperation	R, K	1,578	367,258	296	187,302	51%
10/02/2022	Zhumadian Chinoiserie Palace Phase III	Zhumadian	Cooperation	R, K	1,304	358,327	241	184,538	52%
06/04/2022	Lianmeng 7 Mu Land	Zhengzhou Shangqiu	Land Auction	R, K	7,296	10,142	74	10,142	100%
13/04/2022	Yongcheng Lianmeng Dongwang	Yongcheng County	Land Auction	R, K	1,332	141,526	75	56,610	40%
Total					1,488	886,418	691	443,633	

Recent IR Activities

Date	Event	Organizer	Location
12/10/2022	2022 Asian Credit Conference	Bofa Securities	Conference Call

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