

Central China Real Estate Limited is one of the leading Henan-based property developers which focuses on developing high-quality residential properties. With 27 years of development history, CCRE has adopted the “Provincial Strategy” and gradually expanded into prefecture and county-level cities in Henan. As of 31 December 2018, the Company had presence in 18 prefecture cities and 77 county-level cities in Henan province. Known for its outstanding product quality, strong brand and experienced management team, the Company ranked 26th on the “China Real Estate Listed Company Ranking List”, according to “Evaluation and Research Report on the Listed Real Estate Companies in the PRC in 2018” jointly published by China Real Estate Association and China Real Estate Appraisal. CCRE also ranked 4th among Hong Kong-listed mainland Chinese property companies in terms of performance and remains the top real estate developer in Henan province.

LATEST NEWS

CCRE Achieved Total Contracted Sales of RMB44,861 mn in the first seven months of 2019, up 25.7% y-o-y

	Jan - July 2019	Jan - July 2018	Y-o-Y change
Heavy Assets	30,759	27,619	11.4%
Light Assets	14,102	8,073	74.7%
Contracted Sales Total (RMB mn)	44,861	35,692	25.7%
Heavy Assets	4,216,422	3,725,965	13.2%
Light Assets	2,506,654	1,632,056	53.6%
Contracted Sales GFA Total	6,723,076	5,358,021	25.5%
Heavy Assets	7,295	7,413	-1.6%
Light Assets	5,626	4,947	13.7%
Average selling price per sq.m. (RMB) Total	6,673	6,661	0.2%

For the first seven months of 2019, the contracted sales of Group's heavy asset segment was RMB30,759 million, representing a lock-in ratio of 48.4% of the Group's annual sales target of RMB63,500 million for 2019.

In the month of July 2019, the Group achieved property contracted sales of RMB5,269 mn, representing a y-o-y increase of 21.3%. With a contracted sales gross floor area (“GFA”) of 782,715 sq.m., representing a y-o-y increase of 19.1%. The ASP for July 2019 amounted to RMB6,732 /sq.m., representing a y-o-y increase of 1.5%.



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Stock Data (As at 14 Aug 2019)

Price/share:
HK\$ 3.05

Market Cap:
Approximately HK\$8.3 bn

52-Week Range:
HK\$2.74 – HK\$4.15

Shares Outstanding:
2,732 mn shares

Composition of Hang Seng Stock Connect Hong Kong Index; Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index; Hang Seng Stock Connect Hong Kong SmallCap Index; Hang Seng SCHK Mainland China Companies Index and Hang Seng SCHK ex-AH Companies Index



The monthly heavy assets contracted sales in July were supported by:

- Zhengzhou projects accounted for approximately 17% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 70% of the sales;
- County level cities projects in Henan contributed 13% of the sales;
- Contracted sales continues to be diversified, with sales contribution from 117 projects located in the 2nd, 3rd, 4th tier cities and county level cities in Henan;
- 85% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

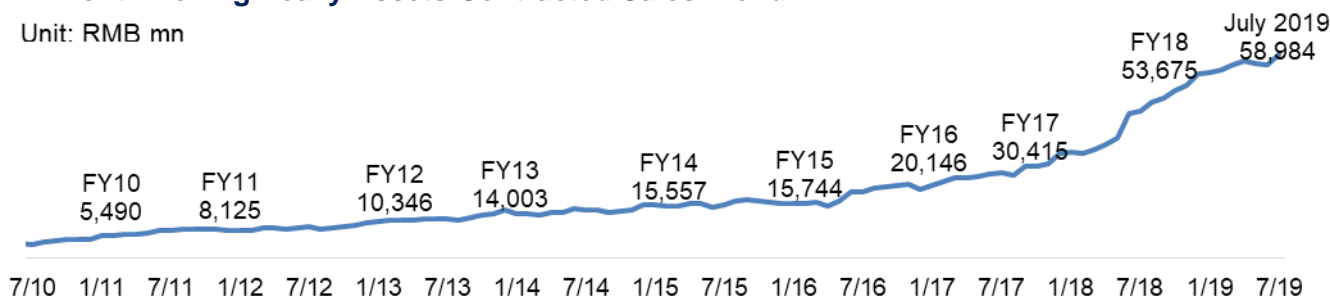
Summary Breakdown of the Heavy Assets Contracted Sales in July 2019:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Luoyang	Long Cheng Dong Wang	406	47,725	8,503
Xinxiang	Chinoiserie Palace	201	18,957	10,578
Luoyang	Honour mansion	183	15,924	11,464
Zhengzhou	Metro Polis	170	11,541	14,742
Luoyang	Science City	122	11,840	10,315
Zhoukou	Jianye City	112	20,123	5,586
Xinxiang	Jianye Beverly Manor	111	15,687	7,076
Zhengzhou	Wulong City (Century New City)	105	6,786	15,482
Puyang	Puyang Jianye Chinoiserie Palace	68	8,047	8,471
Zhengzhou	Jianye Sky Mansion	67	1,800	37,221
Zhengzhou	Dengfeng Chinoiserie Palace	61	8,779	6,977
Zhoukou	Luyi Jianye City	56	9,628	5,765
Zhengzhou	Zhengxi U-Town	52	7,435	6,993
Shangqiu	Park Lane (Central Garden)	51	7,694	6,693
Xuchang	Chinoiserie Palace	51	5,978	8,464
Anyang	Code One City	50	7,223	6,967
Zhumadian	Spring Time	46	7,061	6,470
Zhengzhou	Intelligent Palace	45	7,918	5,741
Xinxiang	Chnagyuwan Forest Peninsula	42	6,918	6,090
Jiaozuo	Spring Time	40	6,174	6,529
	Others	1,059	166,197	6,374
Total		3,099	399,435	7,758



12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



Land Acquisition

In accordance with our development strategy, in July 2019, the Company acquired total a 24 of new land plots in Zhumadian, Fuyang, Shangqiu, Yichuan County in Luoyang, Hainan Province, Xuchang, Hebi, Luohe, Hui County in Xinxiang, Nanyang and Xixian County in Xinyang, with a land premium attributable to CCRE of RMB4,111 mn and an estimated attributable GFA of 3,216,113 sq.m. with average land cost of RMB1,165/sq.m.

A Summary of the Land Acquisition in 2019 (as at 31 July) 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.)	Attributable Total Land Premium (RMB Mn)	Attributable GFA (sq.m.)	CCRE Int (%)
16/1/2019	Luanchuan Project First Land	Luoyang Luanchuan	Land Auction	R, C, K	495	283,318	112	226,654	80%
21/1/2019	North Longhu No.24 Land	Zhengzhou	Land Auction	R, K	15,612	84,550	1,320	84,550	100%
21/1/2019	Xincai Sweet-Scented Osmanthus Garden	Zhumadian	Land Auction	R, C, K	632	146,673	47	74,803	51%
25/1/2019	Xiangcheng CCRE Mall	Xuchang Xiangcheng	Land Auction	R, C, K	974	327,136	319	327,136	100%
29/1/2019	Nanzhao Binhe Road Project	Nanyang Nanzhao	Land Auction	R, C, K	365	310,354	58	158,281	51%
31/1/2019	Xincai Sweet-Scented Osmanthus Garden	Zhumadian Xincai	Land Auction	R, C, K	632	146,673	47	74,803	51%
31/1/2019	Blossom Garden	Zhengzhou	Land Auction	R, C, K	1,722	57,431	99	57,431	100%
26/2/2019	North Longhu No.27 Land	Zhengzhou	Land Auction	R, C, K	15,057	111,580	1,680	111,580	100%
8/3/2019	North Longhu No.25 Land	Zhengzhou	Land Auction	R, K	15,302	164,683	2,520	164,683	100%
11/3/2019	Xingye Avenue Project	Anyang	Equity Cooperation	R, C, K	1,344	211,378	270	200,809	95%
19/3/2019	Yuzhou Wuwan District BH11# Land	Xuchang Yuzhou	Land Auction	R, C, K	825	90,487	75	90,487	100%
25/3/2019	Luyi Jianye City Phase 9&10	Zhoukou Luyi	Land Auction	R, C, K	1,209	150,186	154	127,658	85%
3/4/2019	Shangqiu Luxin Project	Shangqiu	Equity Cooperation	R, C, K	403	194,910	22	54,575	28%
12/4/2019	Qishuiguang Road Project	Hebi	Land Auction	R, K	2,034	109,121	113	55,652	51%
23/4/2019	Quyuan Avenue Project	Zhumadian Suiping	Land Auction	R, C, K	976	141,424	138	141,424	100%
29/4/2019	Linying Huanglong Road Project	Luohe Linying	Land Auction	R, K	900	147,948	133	147,948	100%



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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.)	Attributable Total Land Premium (RMB Mn)	Attributable GFA (sq.m.)	CCRE Int (%)
30/4/2019	Xiadu Avenue Project	Anyang Tangying	Equity Cooperation	R, C, K	633	142,156	49	78,186	55%
10/5/2019	Xinyuan Lijiao Project	Xinxiang	Land Auction	R, C, K	769	110,602	85	110,602	100%
21/5/2019	Qinnianjie Project	Xinyang Huaibin	Land Auction	R, C, K	1,360	119,793	163	119,793	100%
24/5/2019	Kaifeng New District 7th Street Project	Kaifeng	Land Auction	R, C, K	3,023	187,192	566	187,192	100%
30/5/2019	Wine Factory Project	Shangqiu Minquan	Equity Cooperation	R, C, K	632	189,062	71	112,870	60%
11/6/2019	Jidu Road Project	Jiyuan	Equity Cooperation + Land Auction	R, C, K	1,442	98,946	143	50,463	51%
12/6/2019	Chinoiserie House Phase II	Zhoukou	Equity Cooperation + Land Auction	R, C, K	1,192	285,233	340	145,469	51%
14/6/2019	Tuanjie Road Project	Zhumadian	Equity Cooperation + Land Auction	R, C, K	1,042	273,083	284	147,465	54%
18/6/2019	Zhongyang Street Project	Shangqiu Sui	Equity Cooperation + Land Auction	R, C, K	885	114,751	102	114,751	100%
20/6/2019	Zhongshan North Street Project (C)	Kaifeng Lankao	Land Auction	C, K	1,246	20,190	25	20,190	100%
20/6/2019	Zhongshan North Street Project (R)	Kaifeng Lankao	Land Auction	R, C, K	832	175,602	146	175,602	100%
20/6/2019	Fengming Road Project	Pingdingshan	Equity Cooperation	R, C, K	1,984	104,157	207	53,120	51%
28/6/2019	Xiping Honghe Park Project	Xiping Zhumadian	Equity Cooperation	R, C, K	810	108,661	88	59,764	55%
29/6/2019	Dengfeng Songyue Mansion	Dengfeng	Land Auction	R, C, K	1,489	60,473	90	60,473	100%
2/7/2019	Pingyi County Checheng Avenue Project	Zhumadian	Land Auction	R, C, K	769	133,556	103	133,556	100%
2/7/2019	Fuyang Zhongke Yilin Project	Xingyang	Equity Cooperation	R, C, K	1,671	193,062	106	63,710	33%
5/7/2019	Spring Time	Shangqiu Sui	Land Auction	R, C, K	1,459	233,517	341	233,517	100%
5/7/2019	Daobei Project	Shangqiu Sui	Land Auction	R, C, K	1,035	267,442	277	267,442	100%
5/7/2019	Fushang Avenue Project	Shangqiu Sui	Land Auction	R, C, K	1,506	321,278	484	321,278	100%
5/7/2019	Yichuan Green House	Luoyang Yichuan	Land Auction	R, C, K	790	231,641	183	231,641	100%
9/7/2019	Chengmai Old Town Project	Hainan	Equity Cooperation	R, C, K	2,167	75,591	156	71,811	95%
9/7/2019	Yucheng People's Park Project	Zhumadian	Land Auction	R, C, K	662	388,141	257	388,141	100%
12/7/2019	Xuchang Demonstration Zone FD09-2 Project	Fuyang	Equity Cooperation	R, C, K	1,734	214,919	261	150,443	70%



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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.)	Attributable Total Land Premium (RMB Mn)	Attributable GFA (sq.m.)	CCRE Int (%)
18/7/2019	Hemei Avenue Project	Shangqiu Sui	Land Auction	R, C, K	2,089	234,038	249	119,360	51%
18/7/2019	Luohe Danjiang Road Project	Shangqiu Sui	Land Auction	R, C, K	1,857	84,044	156	84,044	100%
25/7/2019	Huixian South-to-North Water Transfer Project	Shangqiu Sui	Land Auction	R, C, K	484	844,015	408	844,015	100%
30/7/2019	Nanyang Bamboo Market Project	Nanyang	Land Auction	C, K	3,019	138,700	419	138,700	100%
30/7/2019	Xixian Longhu Area Project	Xinyang Xixian	Land Auction	R, C, K	806	168,455	136	168,455	100%
Total					1,734	8,049,470	12,314	6,582,883	

Land Bank Summary as at 31 July 2019

As at 31 July 2019, the estimated total land reserve GFA for new development is approximately 50.73 mn sq.m., (with attributable GFA of 40.12 mn sq.m.) at an average cost of RMB1,129 /sq.m..

(Note: estimated total land reserved GFA for new development may vary depending on the projects' final design)

Henan Property Market sales up 20.0% yoy in 6M2019, CCRE Achieves Market Share of 10.7%

In the first six months of 2019, the Henan real estate market achieved strong growth with contracted sales of RMB368.35 bn, up 20.0% y-o-y (6M2018: RMB306.91 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (included heavy asset and light asset) for the first six months of 2019 reached RMB39.59 bn, representing a market share of 10.7%¹ for the total Henan real estate market.

Henan transaction volume in the first six months of 2019 reached 57.47 mn sq.m., representing a y-o-y increase of 7.7% (6M2018: 53.38 mn sq.m.). In terms of contracted GFA, as at the end of June 2019, CCRE accounted for 10.3%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first six months of 2019 was RMB6,409 /sq.m., up 11.5% y-o-y (6M2018: ASP RMB5,750 /sq.m.).

Notes: ¹CCRE's contracted sales as at 30 June 2019 / Total contracted sales of Henan Province as at 30 June 2019 from Henan Provincial Bureau of Statistics; ²CCRE's contracted GFA as at 30 June 2019 / Total contracted GFA of Henan Province as at 30 June 2019 from Henan Provincial Bureau of Statistics.

Light-Asset Model Project

In accordance with our "Blue Ocean Strategy" and to further promote our company's transformation into light-asset operating model.

As at the end of December 2018, there are a total of 110 light-asset projects under CCRE's Management Entrustment Contracts, with a total expected GFA of approximately 16.62 mn sq.m.. Under the management contracts agreement, CCRE will be entitled to a guaranteed base royalty/branding fee and a performance fee subject to the success of the projects. Out of the 110 projects CCRE signed, 64 projects have been launched.



A Summary of the Light-Asset Projects added in 2018 is Provided Below:

	Signing Date	City - County	Project	Expected GFA (Sqm)	Expected Project Duration (Month)
1	30/1/2018	Zhumadian – Xincui	Xincui Caizhou Road Project	179,600	36
2	30/1/2018	Nanyang – Zhenping	Nanyang Hangtian Road Project	125,700	25
3	8/2/2018	Anyang – Nanle	Nanle Yixing Road Project	138,600	40
4	9/2/2018	Shangqiu – Yucheng	Yucheng Road Project	218,000	50
5	26/3/2018	Kaifeng – Tongxu	Tongxu County Kangli Road Project	70,500	36
6	26/3/2018	Zhumadian – Shangcai	Shangcai County Jiankang Road Project	166,000	36
7	18/4/2018	Luoyang – Yichuan	Yichuan County Qicai Longdu Project	81,100	48
8	18/4/2018	Sanmenxia	Sanmenxia Zhongzhou Road Project	65,800	30
9	8/5/2018	Shangqiu	Shangqiu Spring Time	43,000	36
10	11/5/2018	Kaifeng – Tongxu	Tongxu Xihuan Road Project	131,000	36
11	22/5/2018	Pingdingshan – Ruzhou	Ruzhou Park Line	102,900	48
12	22/5/2018	Zhumadian	Zhumadian Wenming Road Project	104,600	36
13	4/6/2018	Xuchang – Xiangcheng	Xiangcheng Baining Avenue Project	92,100	36
14	4/6/2018	Lingbao	Lingbao Wulong Road Project	66,800	36
15	4/6/2018	Xinxiang – Yanjin	Yanjin Jianye Code One City	77,400	36
16	20/6/2018	Zhoukou – Dancheng	Dancheng Yingbin Avenue Project	118,200	30
17	12/7/2018	Kaifeng – Tongxu	Tongxu Xingzheng Road Project	112,480	36
18	13/7/2018	Puyang – Puyang	Puyang Changsheng Road Project	141,600	40
19	13/7/2018	Puyang – Taiqian	Taiqian Jingsi Road Project	117,550	40
20	17/7/2018	Zhoukou – Tongxu	Zhoukou Wenchang Road Project	234,000	30
21	20/7/2018	Luohe – Wugang	Wuyang Shenzhen Road Project	108,900	36
22	3/8/2018	Jiyuan	Jiyuan Tiantan Xiyuan Project	166,000	36
23	3/8/2018	Shangqiu – Ningling	Ningling Renmin Road Project	102,700	36
24	13/8/2018	Pingdingshan – Jiaxian	Jiaxian Ziyun Road Project	92,300	24
25	13/8/2018	Pingdingshan	Pingdingshan Nanerhuan Road Project	145,200	36
26	13/8/2018	Pingdingshan – Ruzhou	Ruzhou Jianshe Road Project	91,800	36
27	3/9/2018	Zhoukou – Luyi	Luyi Jiande Road Project	136,800	30
28	4/9/2018	Luohe – Wuyang	Wuyang Beisanhuan Road Project	70,300	36
29	17/9/2018	Zhoukou – Shangshui	Shangshui Yangcheng Road Project	70,700	30
30	19/9/2018	Zhoukou – Xiangcheng	Xiangcheng Tianfu Road Project	109,000	30
31	19/9/2018	Zhoukou – Xiangcheng	Xiangcheng Tianbing Road Project	125,400	30
32	19/9/2018	Zhoukou – Luyi	Luyi Shangli Road Project	79,100	30
33	10/10/2018	Zhoukou – Shenqiu	Shenqiu Weisan Road Project	156,300	36
34	10/10/2018	Zhoukou – Luyi	Luyi Renrang Road Project	103,100	36
35	10/12/2018	Zhoukou – Taikang	Taikang Shangmaonan Road Project	75,000	36
36	10/12/2018	Shangqiu	Shangqiu Tengfei Road Project	86,000	36
37	26/12/2018	Jiaozuo – Qinyang	Qinyang Tuanjie Road Project	105,100	30
38	26/12/2018	Nanyang – Xichuan	Xichuan Beisanhuan Project	167,500	30
39	29/12/2018	Nanyang – Xinye	Xinye Forest Peninsula Project	179,800	34
Total				4,557,930	



Company News

Chairman Wu Po Sum Increased Stake to 74.84% through Share Acquisition from CapitaLand

On 29 June 2019, CCRE announced that Mr. Wu Po Sum, Chairman of CCRE, has entered into a share purchase agreement with CapitaLand to purchase 658 million shares of the Company at a total cash consideration of HK\$2,831 million, equivalent to HK\$4.30 per share. The transaction has been completed on 18 July 2019, CapitaLand has ceased to be a shareholder of the Company and Chairman Wu's interest in the Company has increased from 50.75% to 74.84%.

The transaction demonstrates Chairman Wu's confidence in the Company's long-term development. Throughout the years, CapitaLand and CCRE have maintained a good cooperative relationship. CapitaLand has always been a staunch supporter of CCRE and the Company is grateful for the investment of CapitaLand in the past 13 years, and also for the great assistance it has provided in the Company's strategic development, corporate governance and financial management.

In the future, CCRE will continue to maintain its strategic partnership with CapitaLand and prioritize cooperation with CapitaLand in key city projects.

Broker Research Update

CCB International Securities

On 2 July 2019, CCB International issued an equity research report titled "Chairman transforms an overhang into a catalyst". The report highlighted Chairman of CCRE acquired the entire stake of CapitaLand, CCRE's second largest shareholder, at a 25% premium a potential catalyst to the share price. The new management at CapitaLand has been reshuffling its china property investments since 2018. This most recent divestment is simply a part of this process. The analyst forecasts CCRE's core profit will double in 2019F off the low base in 2018, and anticipates high 40-50% YoY growth based on management changes and more efficient operations. The analyst has reaffirmed the "Outperform" recommendation on CCRE with the target price HKD \$5.00 based on a 60% discount to NAV.



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