

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 RMB73,736 mn in the first ten months of 2019, up 38.8% y-o-y

	Jan - Oct 2019	Jan - Oct 2018	Y-o-Y change
Heavy Assets Sales	51,787	40,976	26.4%
Light Assets Sales	21,949	12,138	80.8%
Contracted Sales Total (RMB mn)	73,736	53,114	38.8%
Heavy Assets GFA	6,490,078	5,591,679	16.1%
Light Assets GFA	3,875,953	2,402,495	61.3%
Contracted Sales GFA Total	10,366,031	7,994,174	29.7%
Heavy Assets ASP	7,979	7,328	8.9%
Light Assets ASP	5,663	5,052	12.1%
Average selling price per sq.m. (RMB) Total	7,113	6,644	7.1%

For the first ten months of 2019, the contracted sales of Group’s heavy asset segment was RMB51,787 million, representing a lock-in ratio of 81.6% of the Group’s annual sales target of RMB63,500 million for 2019.

In the month of October 2019, the Group achieved property contracted sales of Group’s heavy asset segment was RMB6,705 mn, representing a y-o-y increase of 86.3%.



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Stock Data (As at 15 Nov 2019)

Price/share:	Market Cap:	52-Week Range:	Shares Outstanding:
HK\$ 4.05	Approximately HK\$11.07 bn	HK\$2.74 – HK\$4.28	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 October were supported by:

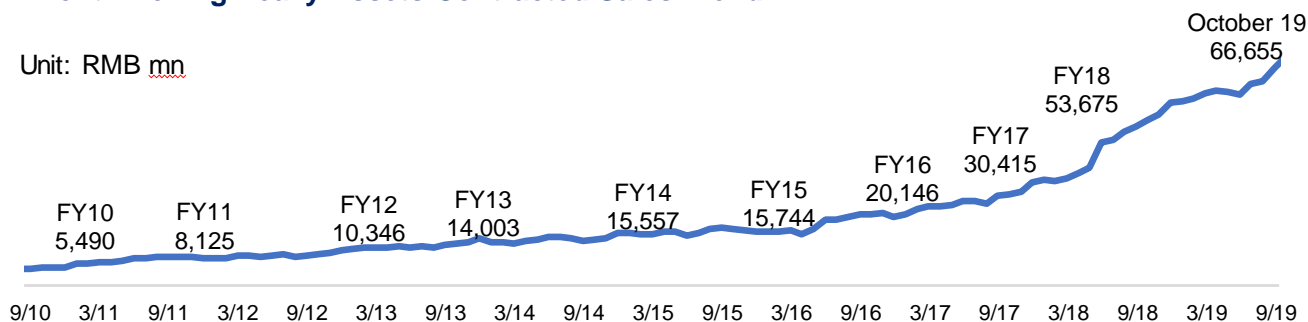
- Zhengzhou projects accounted for approximately 34% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 57% of the sales;
- County level cities projects in Henan contributed 9% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 166 projects located in the 2nd, 3rd, 4th tier cities and county level cities in Henan;
- 71% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

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

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Zhengzhou	North Longhu Financial Island	1,555	75,280	20,654
Hebi	Chinoiserie Palace	821	89,286	9,191
Nanyang	Only Choice of Life	388	46,779	8,296
Zhengzhou	Movie Town	214	19,756	10,857
Luoyang	Dingding Palace	210	22,838	9,206
Hebi	Zhen Yue Hui	147	18,493	7,967
Zhengzhou	Metro Polis	122	10,890	11,178
Xinxiang	Chinoiserie Palace	117	13,966	8,354
Zhengzhou	Wulong City (Century New City)	105	6,406	16,424
Puyang	Zhen Yue Hui	102	14,827	6,897
Shangqiu	Jian Ye Sky Mansion	100	4,570	21,982
Luoyang	Honour mansion	100	8,403	11,931
Xinxiang	Jianye Beverly Manor	99	12,322	8,052
Zhengzhou	Art Mansion	82	4,940	16,620
Zhumadian	Runan Jianye City	81	9,100	8,858
Jiyuan	Blossom Garden	76	11,848	6,421
Xinxiang	Changyuan Forest Peninsula	71	11,440	6,234
Xinyang	Jianye City	71	10,058	7,046
Xinxiang	Blossom Garden	69	11,096	6,230
Luohe	Xicheng Forest Peninsula	66	8,425	7,857
	Others	2,107	320,663	6,570
	Total	6,705	731,386	9,167

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



Major Project Launch

In the month of October, CCRE launched 15 new projects/phases. The aggregate saleable resource of the new launch is RMB 2,200 mn. The first day of launch achieved an average sales/subscription rate of 69%, with sales subscription to be converted into contracted sales over the coming months.

A Summary of the Major Projects Launched in October 2019 is Provided Below :

Project	Launch Date	Saleable Contracted Sum (RMB Mn)	Amount Sold in the First Day of Sales Launch (RMB Mn)	Sales / Saleable (%)	Saleable GFA (sq.m.)	GFA Sold in the First Day (sq.m.)	GFA Sold / Saleable (%)
Port area Wonderland Phase I	20/10/2019	252	88	35%	27,111	9,463	35%
Zhenyuehui Phase I Batch I	26/10/2019	187	45	24%	31,129	7,432	24%
Jianye Luzhou Phase I Batch II	26/10/2019	47	40	86%	9,775	8,422	86%
Jianye Ding Ding House Phase III Batch I	26/10/2019	601	478	80%	75,735	59,406	78%
Jianye Ding Ding House Carpark	26/10/2019	50	25	51%	503	229	46%
Xinyang Jianye City Phase II Batch I	26/10/2019	146	129	89%	22,412	19,890	89%
Xinyang Jianye City Carpark	26/10/2019	22	18	82%	296	242	82%
Suiping Jianye City Phase I Batch I	26/10/2019	135	75	55%	25,186	13,582	55%
Nanyang Longyue Phase I Batch II	27/10/2019	375	375	100%	47,158	47,158	100%
Nanyang Longyue City	27/10/2019	28	9	33%	325	107	33%
Shangqiu Sky Mansion Carpark	27/20/2019	83	72	87%	505	440	87%
Shangqiu Sky Mansion underground	27/10/2019	9	7	74%	3,443	2,427	70%
Jianye Luan Zhou Fu Carpark	27/10/2019	21	12	58%	257	149	58%
Pingdingshan Spring Time Phase III Batch I	29/10/2019	244	156	64%	46,176	28,799	62%
Total		2,200	1,529	69%	290,011	198,016	68%

Henan Property Market sales up 19.9% yoy in 9M2019, CCRE Achieves Market Share of 10.99%

In the first nine months of 2019, the Henan real estate market achieved strong growth with contracted sales of RMB592.42 bn, up 19.9% y-o-y (9M2018: RMB494.07 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (included heavy asset and light asset) for the first nine months of 2019 reached RMB73.74 bn, representing a market share of 10.99%¹ for the total Henan real estate market.

Henan transaction volume in the first nine months of 2019 reached 92.25 mn sq.m., representing a y-o-y increase of 7.1% (9M2018: 86.11 mn sq.m.). In terms of contracted GFA, as at the end of September 2019, CCRE accounted for 10.08%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first nine months of 2019 was RMB6,422 /sq.m., up 11.9% y-o-y (9M2018: ASP RMB5,738 /sq.m.).

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

Land Acquisition

In accordance with our development strategy, in October 2019, the Company acquired a total of 2 new land plots in Nanyang, Gushi County in Xinyang, with a land premium attributable to CCRE of RMB138 mn and an estimated attributable GFA of 102,411 sq.m. with average land cost of RMB 1,314/sq.m..

A Summary of the Land Acquisition in 2019 (as at 31 October) 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 (%)
02/07/2019	Pingyi County Checheng Avenue	Zhumadian	Land Auction	R, C, K	769	133,556	103	133,556	100%
02/07/2019	Fuyang Zhongke Yilin	Xingyang	Equity Cooperation	R, C, K	1,671	193,062	106	63,710	33%
05/07/2019	Spring Time	Shangqiu Sui	Land Auction	R, C, K	1,459	233,517	341	233,517	100%
05/07/2019	Daobei Project	Shangqiu Sui	Land Auction	R, C, K	1,035	267,442	277	267,442	100%
05/07/2019	Fushang Avenue	Shangqiu Sui	Land Auction	R, C, K	1,506	321,278	484	321,278	100%
05/07/2019	Yichuan Green House	Luoyang Yichuan	Land Auction	R, C, K	790	231,641	183	231,641	100%
09/07/2019	Chengmai Old Town	Hainan	Equity Cooperation	R, C, K	2,167	75,591	156	71,811	95%
09/07/2019	Yucheng People's Park	Yucheng Shangqiu	Land Auction	R, C, K	662	388,141	257	388,141	100%
12/07/2019	Xuchang Demonstration Zone FD09-2	Xuchang	Equity Cooperation	R, C, K	1,734	214,919	261	150,443	70%
18/07/2019	Hemei Avenue	Hebi	Land Auction	R, C, K	2,089	234,038	249	119,360	51%
18/07/2019	Luohe Danjiang Road	Luohe	Land Auction	R, C, K	1,857	84,044	156	84,044	100%
25/07/2019	Huixian South-to-North Water Transfer	Huixian Xinxiang	Land Auction	R, C, K	484	844,015	408	844,015	100%
30/07/2019	Nanyang Bamboo Market	Nanyang	Land Auction	C, K	3,019	138,700	419	138,700	100%
30/07/2019	Xixian Longhu Area	Xinyang Xixian	Land Auction	R, C, K	806	168,455	136	168,455	100%
05/08/2019	Pingdingshan Guangming Road	Pingdingshan	Land Auction	R, C, K	1,488	136,228	203	136,228	100%
05/08/2019	Yuzhou Spring Time	Yuzhou	Equity Cooperation	R, C, K	1,026	232,892	143	69,194	60%
07/08/2019	Xinmi Town Northeast block	Xinmi	Equity Cooperation + Land Auction	R	1,814	78,260	128	32,250	90%
09/08/2019	Zhumadian Ertang Auto Trade	Zhumadian	Equity Cooperation	R, K	487	156,068	29	36,197	38%
14/08/2019	Jigongshan commercial plot (self-sustaining)	Xinyang	Equity Cooperation + Land Auction	C	1,148	41,157	28	40,950	60%
21/08/2019	Luyi Mingdao City Phase II	Zhoukou Luyi	Equity Cooperation + Land Auction	C, K	4,907	17,656	74	20,627	85%
23/08/2019	Luohe Jinjiang Road	Luohe	Equity Cooperation	R, C, K	891	234,400	125	58,361	60%
03/09/2019	Puyang Country Hongqi	Puyang County	Land Auction	R, C, K	822	383,293	315	383,293	100%
06/09/2019	Danzhou Starlight Green Town	Danzhou	Equity Cooperation	R, C, K	8,363	95,656	480	57,394	60%
12/09/2019	Hainan Jianye Century Oriental Project	Dongfeng Hainan	Equity Cooperation + Land Auction	R, C, K	533	390,817	146	273,572	70%
13/09/2019	Xinyang Tuanjie Road Project	Xinyang	Land Auction	R, C, K	1,885	381,136	718	381,136	100%
18/09/2019	Huangchuan Huang Guo Road Project	Xinyang Huangchuan	Land Auction	R, C, K	987	179,777	177	179,777	100%
18/09/2019	Luoyang Shijiawan Project	Luoyang	Land Auction	R, C, K	2,283	119,807	274	119,807	100%
23/09/2019	Jiyuan Code One City Bei Yuan Phase II Project	Jiyuan	Land Auction	R, C, K	1,607	63,835	103	63,835	100%
30/09/2019	Xuchang FD09-1Project	Xuchang	Equity Cooperation + Land Auction	R, C, K	1,888	75,618	100	52,933	70%
14/10/2019	Nanyang Central Garden Second batch Project	Nanyang	Equity Cooperation+ Land Auction	R, K	2,983	45,454	75	25,000	55%
16/10/2019	Xinyang Gushi Tianming Project	Xinyang Gushi	Equity Cooperation+ Land Auction	R, C, K	814	151,788	63	77,412	51%
Total					1,285	6,312,239	8,111	5,204,271	

Land Bank Summary as at 31 October 2019

As at 31 October 2019, the estimated total land reserve GFA for new development is approximately 53.06 mn sq.m., (with attributable GFA of 41.60 mn sq.m.) at an average cost of RMB1,164 /sq.m..

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



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 September 2019, there are a total of 147 light-asset projects under CCRE’s Management Entrustment Contracts, with a total expected GFA of approximately 21.48 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.

A Summary of the Light-Asset Project added in 2019 is Provided Below:

	Signing Date	Project	Expected GFA (Sqm)
1	19/07/2019	WuZhi High-speed Railway Station Project	139,113
2	19/07/2019	Luoning Xingning House Project	75,000
3	19/07/2019	Yichuan Luoyi House Project	140,581
4	26/07/2019	Sheqi County Changxing Road Project	114,000
5	26/07/2019	Luohe Green Diamond International Project	54,062
6	26/07/2019	Xinxian Shangcheng Impression Project	94,398
7	26/07/2019	Jun County Xiaohe Road Project	219,797
8	12/08/2019	Zhenping Construction Avenue Project	188,416
9	23/08/2019	Luyi Weizhen Road Project	86,040
10	23/08/2019	Luyi Zhiyuan Road Project	128,071
11	23/08/2019	Changge City Getian Avenue Project	80,100
12	12/09/2019	Xiping County Construction Road Project	107,425
13	23/09/2019	Jia County Longshan Avenue Project	158,959
14	23/09/2019	Yiyang County Binhe North Road Project	163,925
15	23/09/2019	Huangchuan County Xiangyang Road Project	50,448
16	24/09/2019	Xian Ankang Project	223,522
	Total		21,483,295

Company News

CCRE Successfully Issues USD200M 7.9% Senior Notes Due 2023

On 31 October 2019, CCRE successfully issued US\$200 million 7.9% senior notes due 2023. The deal achieved 10 times over-subscription, and was driven by institutional investors with 80 accounts, and the final allocation comprising of 70% Fund Managers, 30% Banks, Financial Institutions and Private Banks with 82% of Investors from Asia and 18% from Europe.

Broker Research Update

BOCOM International Securities

On 4 November 2019, BOCOM International initiated an equity research report titled “**A hidden gem from Henan of lofty dividend yield; initiate with Buy**”. The report highlighted CCRE’s unique model blending asset-heavy and light businesses continues to allow it to leverage its brand to grab market share in Henan and maintain high sales growth. Moreover, its ample low-cost land bank is currently sufficient for four years of development and will fuel its ascent to “RMB100bn developer club” by 2020E, even without further land replenishment. The analyst expected CCRE to record 3-year revenue/core profit CAGRs of 52%/89%. Moreover, along with the surging profit and higher payout, we expect CCRE’s dividend yield to reach ~20% in 2020E. The Analyst has initiated the “Buy” recommendation on CCRE with the target price HKD \$6.10.

IR Activities in October 2019

Date	Event	Organizer	Location
21/10/2019	Non-deal Roadshow	CCBI	Shanghai
22/10/2019	Non-deal Roadshow	CRIC Securities	Shanghai

Upcoming IR Activities

Date	Event	Organizer	Location
13-15/11/2019	Non-deal Roadshow	Fubon Securities/ President Securities	Taiwan
26-27/11/2019	Non-deal Roadshow	Mizuho	Tokyo





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