

Newsletter

August 2020



Central China Real Estate Limited is one of the leading Henan-based property developers which focuses on developing high-quality residential properties. With 28 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 2019, the Company had achieved full coverage with presence in 18 prefecture cities and 104 county-level cities and over 10% market share in Henan province. Known for its outstanding product quality, strong brand and experienced management team, the Company ranked 32nd 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 2019” 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 RMB48,848 mn in first seven months of 2020, Up 8.9% y-o-y

	Jan - July 2020	Jan - July 2019	Y-o-Y change
Heavy Assets Sales	33,361	30,759	8.5%
Light Assets Sales	15,487	14,102	9.8%
Contracted Sales Total (RMB mn)	48,848	44,861	8.9%
Heavy Assets GFA	4,146,109	4,216,422	-1.7%
Light Assets GFA	2,631,411	2,506,654	5.0%
Contracted Sales GFA Total (sq.m.)	6,777,520	6,723,076	0.8%
Heavy Assets ASP	8,046	7,295	10.3%
Light Assets ASP	5,886	5,626	4.6%
Average Selling Price per sq.m. Total (RMB)	7,207	6,673	8.0%

In the month of July 2020, the contracted sales of Group’s heavy asset segment was RMB 3,345 mn, representing a y-o-y increase of 7.9%.

In the first seven months of 2020, the contracted sales of Group’s heavy asset segment was RMB 33,361 million, representing a y-o-y increase of 8.5%. The Group’s heavy asset contracted sales GFA amounted to 4,146,109 sq.m., representing a y-o-y decrease of 1.7%. The heavy assets ASP is RMB 8,046/sq.m., representing a y-o-y increase of 10.3%.

Stock Data (as at 12 August 2020)

Price/share: HK\$ 3.72	Market Cap: Approximately HK\$10.301 bn	52-Week Range: HK\$2.98 – HK\$5.11	Shares Outstanding: 2,780 mn shares
----------------------------------	---	--	---

Newsletter

August 2020



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

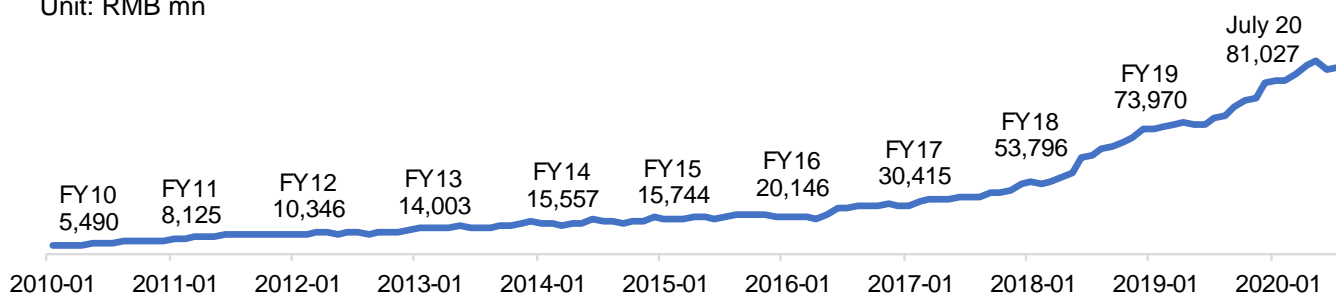
- Zhengzhou projects accounted for approximately 21% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 63% of the sales;
- County level cities projects in Henan contributed 16% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 302 projects/phases located in the 2nd, 3rd, 4th tier cities and county level cities in Henan;
- 81% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

Summary Breakdown of the Heavy Assets Contracted Sales in July 2020:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Xinyang	Central China Xinyang Mansion	216	27,627	7,824
Zhengzhou	Jianye Taihong International City	168	13,311	12,612
Jiyuan	Jiyuan Jianye City	156	21,334	7,314
Zhengzhou	North Longhu Financial Island	107	4,032	26,489
Xinxiang	Chinoiserie Palace	101	12,111	8,308
Zhengzhou	Wulong City (Century New City)	98	6,420	15,294
Xuchang	Chinoiserie Palace	79	11,797	6,737
Zhoukou	Landscape Lake City	74	11,774	6,324
Puyang	Chinoiserie Palace	72	8,337	8,650
Luoyang	Luoyang Binhe Long Palace	69	5,995	11,437
Nanyang	Longyuecheng	68	8,026	8,416
Shangqiu	Art Mansion	64	6,664	9,564
Zhengzhou	CIFI Zhengrong Grand Mansion	61	5,232	11,657
Xinyang	Jianye City	58	7,770	7,417
Jiaozuo	Chinoiserie Palace	53	6,800	7,727
Luoyang	Yichuan Longfu	51	7,928	6,385
Puyang	Dragon Palace	50	10,694	4,701
Kaifeng	Blossom Garden	50	10,621	4,681
Xinxiang	Fengqiu Central Garden	48	8,641	5,559
Shangqiu	Xiayi Jianye City	47	8,427	5,567
	Others	1,657	237,508	6,977
Total		3,345	441,049	7,583

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



Newsletter

August 2020

Major Project Launch

In the month of July, CCRE launched 3 new projects/phases. The aggregate saleable resource of the new launch is RMB 89 mn. The first day of launch achieved an average sales/subscription rate of 52%, with sales subscription to be converted into contracted sales over the coming months.

Summary of the Major Projects Launched in July 2020 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 (%)
Jiyuan Jianye City (West) Phase II Carpark	25/07/2020	25	14	57%	300	170	57%
Xingyang Jianye Changjian Central Garden Phase I	25/07/2020	63	32	50%	7,612	3,806	50%
Jiyuan Jianye Spring Time Basement	26/07/2020	2	1	66%	1,026	667	65%
Total		90	47	52%	8,938	4,643	52%

Henan Property Market Sales Down 4.0% yoy in the 6M2020, CCRE Achieves Market Share of 12.1%

In the first six months of 2020, the Henan real estate market contracted sales was down 4.0% y-o-y to RMB353.56 bn (6M2019: RMB368.35 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (including heavy asset and light asset) for the first six months of 2020 reached RMB42.95 bn, representing a market share of 12.1%¹ for the total Henan real estate market.

Henan transaction volume in the first six months of 2020 reached 54.47 mn sq.m., representing a y-o-y decrease of 5.2% (6M2019: 57.47 mn sq.m.). In terms of contracted GFA, as at the end of June 2020, CCRE accounted for 10.8%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first six months of 2020 was RMB6,491 /sq.m., up 1.3% y-o-y (6M2019: ASP RMB6,409 /sq.m.).

Notes: ¹CCRE's contracted sales as at 30 June 2020 / Total contracted sales of Henan Province as at 30 June 2020 from Henan Provincial Bureau of Statistics;

²CCRE's contracted GFA as at 30 June 2020 / Total contracted GFA of Henan Province as at 30 June 2020 from Henan Provincial Bureau of Statistics.

Newsletter

August 2020

Land Acquisition

In accordance with our development strategy, in July 2020, the Company acquired a total of 6 new land plot in Zhongmu County in Zhengzhou, Zhoukou, Anyang, Hua County in Anyang with a land premium attributable to CCRE of RMB825 mn and an estimated attributable GFA of 454,244 sq.m. with average land cost of RMB1,806/sq.m..

A Summary of the Land Acquisition in 2020 (first seven months of 2020) 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 (%)
02/01/2020	Shijiawan Xi Project	Luoyang	Land Auction	R, C, K	2,274	244,487	284	124,688	51%
02/01/2020	Er Bang Land	Luoyang	Equity Cooperation + Land Auction	R, C, K	2,281	241,704	336	147,439	61%
02/01/2020	Fengqiu No.15	Xinxiang Fengqiu County	Land Auction	R, C, K	766	91,380	70	91,380	100%
02/01/2020	Taiqing Road Project	Zhoukou	Equity Cooperation	R, C, K	1,109	644,427	708	637,983	99%
03/01/2020	Piju Chang Project	Zhumadian	Equity Cooperation + Land Auction	R, K	1,008	222,489	114	113,469	51%
06/01/2020	Qi County Weier Road	Hebi Qi County	Land Auction	R, C, K	646	144,497	93	144,497	100%
20/01/2020	Xiayi Tianlonghu Project	Shangqiu Xiayi County	Equity Cooperation + Land Auction	R, C, K	599	415,000	127	211,650	51%
20/01/2020	Kaifeng High Speed North Land	Kaifeng	Equity Cooperation	C	3,066	23,970	47	15,286	64%
01/02/2020	Anyang Junlin Grand Courtyard	Anyang	Equity Cooperation	R, K	2,357	82,651	59	25,002	30%
17/03/2020	Yi ma Yi mian Express Road Project	Sanmenxia	Equity Cooperation + Land Auction	R, C, K	373	213,631	28	74,771	35%
20/05/2020	Hebi Green Base	Hebi	Resource Collaboration	R, C, K	1,159	505,948	586	505,948	100%
05/06/2020	Dengfeng Songyue Mansion	Dengfeng	Land Auction	R, K	1,514	63,419	96	63,419	100%
12/06/2020	Zhumadian Spring Time	Zhumadian	Equity Cooperation	R, K	1,308	356,952	257	196,323	55%
24/06/2020	Zhoukou Jianye City	Zhoukou	Land Auction	C, K	912	404,337	369	404,337	100%
08/07/2020	Zhongmu Guandu Project	Zhengzhou Zhongmu County	Acquisition	R	3,798	30,203	115	30,203	100%
09/07/2020	Huaiyang Pingan Road Project	Zhoukou	Equity Cooperation	R, C, K	1,693	274,318	372	219,454	80%
10/07/2020	Anyang Yingbin Beiyuan West Plot	Anyang	Acquisition	C, K	2,626	150,620	120	45,562	30%
22/07/2020	Huaxian West Lake Project West Plot	Anyang Hua County	Equity Cooperation	R, K	1,093	150,942	84	76,980	51%
24/07/2020	East Plot of Anyang CITIC Project (Jianye Phoenix City)	Anyang	Acquisition	R, C, K	1,641	271,219	135	82,044	30%
Total					1,304	4,532,194	3,998	3,210,437	

Land Bank Summary as at 31 July 2020

As at 31 July 2020, the estimated total land reserve GFA for new development is approximately 53.35 mn sq.m., (with attributable GFA of 40.71 mn sq.m.) at an average cost of RMB1,221/sq.m..

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

Newsletter

August 2020

Light-Asset Model Project

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

In the first half of 2020, 42 light-asset projects were added under CCRE's Management Entrustment Contracts, with a total expected GFA of approximately 4.718 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 Projects Added in 1H2020 is Provided Below:

	Signing Date	Project	Expected GFA (Sq.m)
1	10/01/2020	Xinye Zhongxing Road Project	170,741
2	10/01/2020	Zhenping Pingan Avenue Project	87,860
3	10/01/2020	Qixian Yinhe Road Project	55,840
4	10/01/2020	Shenqiu Jingyi Road Project	134,452
5	16/01/2020	Zhecheng Xueyuan Road Project	61,920
6	16/01/2020	Shangshui County Shangning Road Project	74,837
7	16/01/2020	Pinglu County Tiaoshan Road Project	137,642
8	18/03/2020	Luyi County Xiyi Road Project	132,778
9	18/03/2020	Fangcheng Jianghuai Avenue Project	86,381
10	18/03/2020	Boai County Yueshan Road Project	77,405
11	18/03/2020	Xin'an County Binhe Road Project	87,527
12	27/03/2020	Yucheng County North Songshan Road Project	239,736
13	27/03/2020	Qingfeng County Cultural Road Project	93,832
14	27/03/2020	Anyang County Haixing Road Project	107,288
15	27/03/2020	Sui County Gongzhou Road Project	119,248
16	27/03/2020	Xiayi Changshou Avenue Project	43,765
17	27/03/2020	Handan Qixian Zhenxing Road Project	111,283
18	22/04/2020	Dancheng County Harmony Road Project	84,388
19	22/04/2020	Changge City Jiefang Road Project	88,207
20	22/04/2020	Changge City Cultural Road Project	116,987
21	22/04/2020	Nanzhao County Binhe Road Project	248,293
22	22/04/2020	Korla Ruoqiang Road North Project	75,100
23	29/04/2020	Nanyang Jingshi Road Project	106,995
24	29/04/2020	Pingdingshan Meiyuan Road Project	60,870
25	29/04/2020	Dancheng County Century Avenue Project	49,364
26	29/04/2020	Ruyang Xiaodian Town Project	47,520
27	29/04/2020	Queshan Zhongyuan Avenue Project	206,160
28	22/05/2020	Yanshi Yongning Road Project	136,220
29	22/05/2020	Luoyang Changxia West Road Project	186,818
30	22/05/2020	Nanyang Kongming Road Project	110,871
31	22/05/2020	Shenli Sanlijing Project	56,240
32	22/05/2020	Changge City Shuangyue Road Project	91,067
33	22/05/2020	Hainan Ding'an County Muyu Yuntian Project	63,364
34	29/05/2020	Huaxian Wenming Road Project	125,891
35	29/05/2020	Qixian Cultural Square Road Project	141,873
36	12/06/2020	Gushi County Yellow River Road Project	45,356
37	12/06/2020	Pingyu County South Ring Road Project	287,909
38	12/06/2020	Neixiang County Tuohe West Road Project	108,161
39	30/06/2020	Luoning County Xinning Avenue Project	178,626
40	30/06/2020	Wuzhi County Zhanqian Road Project	63,764
41	30/06/2020	Yanling County Huabo Avenue Project	75,572
42	30/06/2020	Weinan City Heyang County Fenghuang North Road Project	140,001
Total			4,718,153

Newsletter

August 2020



Company News in August 2020

CCRE Successfully Issued USD300M 7.25% Senior Notes Due 2024

On 6 August 2020, CCRE successfully issued US\$300 million 7.25% 4-year senior notes due 2024. The offering price of the Notes will be 99.659% of the principal amount of the Notes. The Notes will bear interest coupon from and including 13 August 2020 at the rate of 7.25% per annum, payable semi-annually in arrears on 13 February and 13 August of each year, commencing on 13 February 2021. The Notes are expected to be rated “BB-” by Fitch Ratings and rated “B1” by Moody’s Rating.

Contact Us

Ms. Hazel Chan Investor Relations Manager

Tel 852 2992 7905

Fax 852 2620 5221

Email hazelchan@centralchina.com

Ms. Christine Yang Investor Relations Analyst

Tel 852 2992 7911

Fax 852 2620 5221

Email christine@centralchina.com

Follow us on WeChat:



Newsletter

August 2020

DISCLAIMER

This document has been prepared by Central China Real Estate Limited (the "Company") and is subject to change without notice. The information contained in this newsletter has not been independently verified. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented. The Company, its affiliates, or any of their directors, officers, employees, advisers and representatives accept no liability whatsoever for any losses arising from any information contained in this presentation or otherwise arising in connection with this document.

This newsletter does not constitute or form part of, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction, and no part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and financial statements. No public offering of any securities is to be made by the Company in the United States. Specifically, this presentation does not constitute a "prospectus" within the meaning of the U.S. Securities Act of 1933, as amended.

This newsletter contains statements relating to the Company's financial condition, results of operations and business, the Company's strategies and future prospects and information about the real estate industry and Chinese economy and global economy which are forward-looking. Such forward-looking statements are only predictions and are not guarantees of future performance. You are cautioned that any such forward-looking statements are and will be, as the case may be, subject to both known and unknown risks, uncertainties and factors relating to the operations and business environments of the Company and the real estate industry and market and economic conditions that may cause the actual results of the Company to be materially different from any future results expressed or implied in such forward-looking statements. All forward-looking statements that are made in this newsletter speak only as of the date of such statements. The Company expressly disclaim a duty to update any of the forward-looking statements.

The information herein is given to you solely for your own use and information, and no part of this document may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) in any manner or published, in whole or in part, for any purpose. The distribution of this document may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.