

Newsletter

December 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. In 2019, CCRE has achieved full coverage in Henan province with presence in 18 prefecture cities and 104 county-level cities. As of 30 June 2020, the Company had over 12% market share in the 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 RMB83,009 mn in First Eleven Months of 2020, Up 1.6% y-o-y

	Jan - Nov 2020	Jan - Nov 2019	Y-o-Y change
Heavy Assets Sales	55,035	57,474	-4.2%
Light Assets Sales	27,974	24,192	15.6%
Contracted Sales Total (RMB mn)	83,009	81,666	1.6%
Heavy Assets GFA	6,950,126	7,238,052	-4.0%
Light Assets GFA	4,720,257	4,274,574	10.4%
Contracted Sales GFA Total (sq.m.)	11,670,383	11,512,626	1.4%
Heavy Assets ASP	7,919	7,941	-0.3%
Light Assets ASP	5,926	5,660	4.7%
Average Selling Price per sq.m. Total (RMB)	7,113	7,094	0.3%

In the month of November 2020, the contracted sales of Group’s heavy asset segment was RMB 3,040 mn.

In the first eleven months of 2020, the contracted sales of Group’s heavy asset segment was RMB 55,035 million, representing a y-o-y decrease of 4.2%. The Group’s heavy asset contracted sales GFA amounted to 6,950,126 sq.m., representing a y-o-y decrease of 4.0%. The heavy assets ASP is RMB 7,919/sq.m., representing a y-o-y decrease of 0.3%.

Stock Data (as at 16 December 2020)

Price/share: HK\$ 3.73	Market Cap: Approximately HK\$10.482 bn	52-Week Range: HK\$3.24 – HK\$5.11	Shares Outstanding: 2,833 mn shares
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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

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

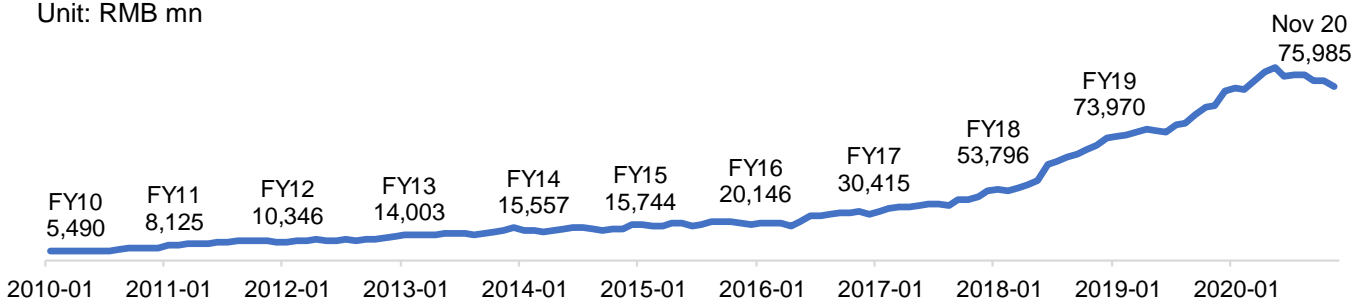
- Zhengzhou projects accounted for approximately 22% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 62% of the sales;
- County level cities projects in Henan contributed 16% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 229 projects/phases 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 November 2020:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Luoyang	Dingding Palace	563	60,530	9,297
Anyang	Anyang Junlin Courtyard	182	20,372	8,952
Luoyang	Jianye Zhongzhou Palace	161	14,405	11,160
Pingdingshan	Spring Time	98	16,545	5,944
Xuchang	Xinyiyuan	81	12,406	6,514
Zhengzhou	Wulong City (Century New City)	79	5,411	14,646
Lankao	Lankao CCRE Mall	68	12,798	5,292
Xinxiang	Chinoiserie Palace	67	7,102	9,386
Nanyang	Art Mansion	66	5,857	11,241
Sanmenxia	Honour Mansion	65	9,532	6,819
Dengfeng	Dengfeng Zhongyue Industrial Cultural Park	62	8,711	7,092
Zhoukou	Jianye City	55	9,020	6,090
Pingdingshan	Guangming Mansion	54	7,514	7,124
Yichuan	Yichuan LongFu	44	7,452	5,929
Zhumadian	Chinoiserie Palace	43	5,447	7,822
Pingdingshan	Honour Mansion	39	3,587	10,908
Puyang	Dragon Palace	38	8,044	4,680
Zhengzhou	Triumph Plaza	37	2,423	15,313
Puyang	Chinoiserie Palace	35	3,920	8,987
Huaibin	Huaibin Sweet Scented Osmanthus Garden	31	5,273	5,890
	Others	1,174	148,495	7,906
Total		3,040	374,841	8,111

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



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Major Project Launch

In the month of November, CCRE launched 5 new projects/phases. The aggregate saleable resource of the new launch is RMB 349 mn. The first day of launch achieved an average sales/subscription rate of 59%, with sales subscription to be converted into contracted sales over the coming months.

Summary of the Major Projects Launched in November 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 (%)
Sanmenxia Jianye City	01/11/2020	10	5	47%	3,125	1,455	47%
Jianye Zhongzhoufu Project Phase I	21/11/2020	184	148	80%	17,225	13,842	80%
Jianye Zhongzhoufu Project Phase I Carpark	21/11/2020	9	2	21%	100	16	16%
Luoyang Dingding Mansion	30/11/2020	126	47	37%	13,992	4,813	34%
Kaifeng Blossom Garden Carpark	28/11/2020	20	4	20%	390	78	20%
Total		349	205	59%	34,832	20,204	58%

Henan Property Market Sales Up 1.0% yoy in 10M2020, CCRE Achieves Market Share of 11.3%

In the first ten months of 2020, the Henan real estate market contracted sales was up 1.0% y-o-y to RMB673.49 bn (10M2019: RMB666.71 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (including heavy asset and light asset) for the first ten months of 2020 reached RMB76.31 bn, representing a market share of 11.3%¹ for the total Henan real estate market.

Henan transaction volume in the first ten months of 2020 reached 101.70 mn sq.m., representing a y-o-y decrease of 2.3% (10M2019: 104.15 mn sq.m.). In terms of contracted GFA, as at the end of October 2020, CCRE accounted for 10.5%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first ten months of 2020 was RMB6,622 /sq.m., up 3.4% y-o-y (10M2019: ASP RMB6,401 /sq.m.).

Notes: ¹CCRE's contracted sales as at 31 October 2020 / Total contracted sales of Henan Province as at 31 October 2020 from Henan Provincial Bureau of Statistics;

²CCRE's contracted GFA as at 31 October 2020 / Total contracted GFA of Henan Province as at 31 October 2020 from Henan Provincial Bureau of Statistics.

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Land Acquisition

In accordance with our development strategy, in November 2020, the Company acquired a total of 3 new land plot in Shangcheng County in Xinyang, Puyang, Shangcai County in Zhumadian with a land premium attributable to CCRE of RMB1,047 mn and an estimated attributable GFA of 526,425 sq.m. with average land cost of RMB2,029/sq.m..

A Summary of the Land Acquisition in 2020 (11M2020) 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 (%)
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	Land Auction	R, C, K	766	91,380	70	91,380	100%
02/01/2020	Taiqing Road Project	Fengqiu County	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	Equity Cooperation + Land Auction	R, C, K	599	415,000	127	211,650	51%
20/01/2020	Kaifeng High Speed North Land	Xiayi County	Equity Cooperation	C	3,066	23,970	47	15,286	64%
01/02/2020	Anyang Junlin Grand Courtyard	Kaifeng	Equity Cooperation	R, K	2,357	82,651	59	25,002	30%
17/03/2020	Yi ma Yi mian Express Road	Anyang	Equity Cooperation + Land Auction	R, C, K	373	213,631	28	74,771	35%
20/05/2020	Hebi Green Base	Sanmenxia	Resource Collaboration	R, C, K	1,159	505,948	586	505,948	100%
05/06/2020	Dengfeng Songyue Mansion	Hebi	Land Auction	R, K	1,514	63,419	96	63,419	100%
12/06/2020	Zhumadian Spring Time	Dengfeng	Land Auction	R, K	1,307	356,952	257	196,323	55%
24/06/2020	Zhoukou Jianye City	Zhumadian	Acquisition	R, K	912	404,337	369	404,337	100%
08/07/2020	Zhongmu Guandu Project	Zhoukou	Land Auction	C, K	3,798	30,203	115	30,203	100%
09/07/2020	Huaiyang Pingan Road Project	Zhongmu County	Acquisition	R	1,693	274,318	372	219,454	80%
10/07/2020	Anyang Yingbin Beiyuan West Plot	Zhoukou	Equity Cooperation	R, C, K	2,626	150,620	120	45,562	30%
22/07/2020	Huaxian West Lake Project West Plot	Anyang	Acquisition	C, K	1,093	150,942	84	76,980	51%
24/07/2020	East Plot of Anyang CITIC Project (Jianye Phoenix City)	Hua County	Equity Cooperation	R, K	1,641	271,219	135	82,044	30%
06/08/2020	Anyang Yingbin Beiyuan East Land	Anyang	Acquisition	R, C, K	2,459	154,922	194	79,010	51%
13/08/2020	Mengzhou Huichang Road	Anyang	Land Auction	R, K	2,459	154,922	194	79,010	51%
14/08/2020	Wuzhi South Block of Heshuo Avenue	Jiaozuo	Land Auction	R, C, K	935	111,003	104	111,003	100%
17/08/2020	Huayang Fengdu Phase II	Mengzhou County	Land Auction	R, C, K	1,019	178,148	182	178,148	100%
19/08/2020	Luoshan County Bei'an Road Project	Wuzhi County	Land Auction	R, C, K	2,645	152,959	405	152,959	100%
19/08/2020	Gaoxin Zone Tianzhongdong Road Project	Luoyang	Equity Cooperation	R, C, K	1,996	133,668	267	133,668	100%
26/08/2020	Huaiyang Shennong Road Project	Luoyang	Land Auction	R, C, K	2,648	102,897	272	102,897	100%
28/08/2020	Anyang Duolun Sky Mansion	Zhoukou	Acquisition	R, C, K	1,052	107,718	34	32,316	30%
11/09/2020	Zhecheng Wuling Mountain Road Project	Anyang	Acquisition	R, K	1,516	139,017	63	41,705	30%
29/09/2020	Taiqian Minsheng Road Project	Shangqiu	Acquisition	R, K	630	108,235	27	43,294	40%
29/09/2020	Luoyang Zhonghong Central Plaza	Zhecheng County	Acquisition	R, K	954	242,994	118	127,665	51%
13/10/2020	Shangqiu Huashang Avenue Project	Puyang	Land Auction	R, K	2,811	588,712	287	102,083	17%
16/10/2020	Yanling Eco New City	Luoyang	Equity Cooperation	R, C, K	1,535	301,930	236	153,984	51%
16/10/2020	Chinoiserie Palace Batch II	Shangqiu	Equity Cooperation	R, K	2,439	33,220	65	26,576	80%
21/10/2020	Luoshan Palza Batch I	Xuchang	Equity Cooperation	R	1,281	194,537	135	105,050	54%
04/11/2020	Xinyang Shangcheng	Yanling County	Equity Cooperation	R, K	2,539	586,881	1,490	586,881	100%
12/11/2020	Chicheng Avenue	Zhumadian	Equity Cooperation	R, K	1,417	80,508	40	28,178	35%
30/11/2020	Puyang Jindi Road Project	Xinyang	Acquisition	R, C, K	2,351	553,509	911	387,457	70%
	Shangcai Hexie Avenue Project – Da Shitang	Shangcheng County	Equity Cooperation	R, C, K	866	110,791	96	110,791	100%
Total					1,616	8,413,844	8,924	5,710,363	

Land Bank Summary as at 30 November 2020

As at 30 November 2020, the estimated total land reserve GFA for new development is approximately 55.49 mn sq.m., (with attributable GFA of 41.58 mn sq.m.) at an average cost of RMB1,280/sq.m..

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Company News in December 2020

CCRE Successfully Issued USD300M 7.75% Senior Notes Due 2024

On 17 November 2020, CCRE successfully issued US\$300 million 7.75% 3.5-year senior notes due 2024. The offering price of the Notes will be 99.624% of the principal amount of the Notes. The Notes will bear interest coupon from and including 24 November 2020 at the rate of 7.75% per annum, payable semi-annually in arrears on 24 May and 24 November of each year, commencing on 24 May 2021. The Notes are expected to be rated “BB-” by Fitch 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

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