

# Newsletter

Jan 2021

**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 RMB102,642 mn in 2020, Up 1.5% y-o-y

	Jan - Dec 2020	Jan - Dec 2019	Y-o-Y change
Heavy Assets Sales	68,339	71,801	-4.8%
Light Assets Sales	34,303	29,349	16.9%
<b>Contracted Sales Total (RMB mn)</b>	<b>102,642</b>	<b>101,150</b>	<b>1.5%</b>
Heavy Assets GFA	8,895,198	9,192,713	-3.2%
Light Assets GFA	5,701,905	5,152,821	10.7%
<b>Contracted Sales GFA Total (sq.m.)</b>	<b>14,597,103</b>	<b>14,345,534</b>	<b>1.8%</b>
Heavy Assets ASP	7,683	7,811	-1.6%
Light Assets ASP	6,016	5,696	5.6%
<b>Average Selling Price per sq.m. Total (RMB)</b>	<b>7,032</b>	<b>7,051</b>	<b>-0.3%</b>

In the month of December 2020, the contracted sales of Group’s heavy asset segment was RMB 13,304 mn.

For the full year of 2020, the contracted sales of Group’s heavy asset segment was RMB 68,339 million, representing a y-o-y decrease of 4.8%. The Group’s heavy asset contracted sales GFA amounted to 14,597,103 sq.m., representing a y-o-y increase of 1.8%. The heavy assets ASP is RMB 7,683/sq.m., representing a y-o-y decrease of 1.6%.

## Stock Data (as at 18 January 2021)

<b>Price/share:</b> HK\$ 3.44	<b>Market Cap:</b> Approximately HK\$10.117 bn	<b>52-Week Range:</b> HK\$3.24 – HK\$5.09	<b>Shares Outstanding:</b> 2,941 mn shares
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## The monthly heavy assets contracted sales in December were supported by:

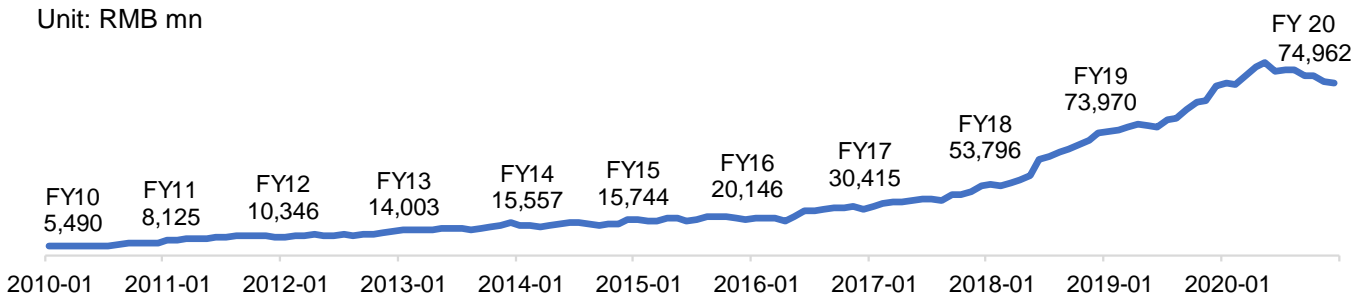
- Zhengzhou projects accounted for approximately 11% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 56% of the sales;
- County level cities projects in Henan contributed 33% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 266 projects/phases located in the 2nd, 3rd, 4th tier cities and county level cities in Henan;
- 89% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

## Summary Breakdown of the Heavy Assets Contracted Sales in December 2020:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Luoyang	Huayang Fengdu	438	33,618	13,019
Luoyang	Dingding Palace	400	43,962	9,106
Anyang	Sky Mansion	337	51,496	6,537
Xinzheng	Zhengzhou Jianye Blue Ocean Zheng Feng	306	39,055	7,827
Xinyang	Xinyang Mansion	272	34,558	7,875
Huaiyang	Huaiyang Jianye Binhe Courtyard	260	38,331	6,778
Nanyang	Nanyang Longyue City	248	29,897	8,296
Anyang	Anyang Junlin Grand Courtyard	243	24,716	9,818
Zhumadian	Spring Time	195	32,547	5,980
Puyang	Chinoiserie Palace	195	21,297	9,137
Zhumadian	Chinoiserie Palace	194	23,093	8,387
Luohe	Blossom Garden	189	28,691	6,598
Shangqiu	Art Mansion	157	18,626	8,446
Xinxiang	Chinoiserie Palace	154	15,858	9,713
Zhengzhou	Chengyuan	153	21,131	7,224
Pingdingshan	Guangming Mansion	153	24,146	6,316
Zhumadian	Binghe Longfu	152	23,433	6,490
Zhengzhou	Taihong International City	144	10,062	14,326
Taiqian	Puyang Jianye Jianrun Mansion	142	25,644	5,523
Jiaozuo	Chinoiserie Palace	140	18,232	7,669
	Others	8,835	1,386,678	6,371
<b>Total</b>		<b>13,305</b>	<b>1,945,073</b>	<b>6,840</b>

## 12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



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## Major Project Launch

In the month of December, CCRE launched 10 new projects/phases. The aggregate saleable resource of the new launch is RMB 1,844 mn. The first day of launch achieved an average sales/subscription rate of 70%, with sales subscription to be converted into contracted sales over the coming months.

## Summary of the Major Projects Launched in December 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 (%)
Jianye Binhe Longfu Project Phase II Storage room	12/12/2020	5	4	76%	1,028	771	75%
Blue Ocean Zheng Feng	12/12/2020	825	631	77%	108,744	83,668	77%
Anyang Jianye Junlin Courtyard Storage room	19/12/2020	4	3	70%	2,040	1,429	70%
Anyang Jianye Junlin Courtyard Carpark	19/12/2020	48	31	65%	360	233	65%
Puyng Puyuan Basement	26/12/2020	22	4	17%	3,159	678	21%
Taigian Jianrun Mansion	26/12/2020	317	152	48%	58,135	27,905	48%
Yucheng Shanshui Lake City Phase I Batch 1 Carpark	27/12/2020	13	7	50%	200	102	51%
Huayang Fengdu Phase II	27/12/2020	538	439	82%	45,036	36,591	81%
Huayang Fengdu Phase II Carpark	27/12/2020	63	29	46%	519	235	45%
Anyang Tonghe Mansion Basement	31/12/2020	11	1	12%	8,903	1,039	12%
<b>Total</b>		<b>1,844</b>	<b>1,300</b>	<b>70%</b>	<b>228,123</b>	<b>152,651</b>	<b>67%</b>

## Henan Property Market Sales Up 2.8% yoy in 11M2020, CCRE Achieves Market Share of 10.7%

In the first eleven months of 2020, the Henan real estate market contracted sales was up 2.8% y-o-y to RMB764.66 bn (11M2019: RMB744.18 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (including heavy asset and light asset) for the first eleven months of 2020 reached RMB81.75 bn, representing a market share of 10.7%<sup>1</sup> for the total Henan real estate market.

Henan transaction volume in the first eleven months of 2020 reached 116.24 mn sq.m., representing a y-o-y decrease of 0.5% (11M2019: 116.76 mn sq.m.). In terms of contracted GFA, as at the end of November 2020, CCRE accounted for 9.9%<sup>2</sup> of the overall Henan real estate market. The average transacted price for property sales in Henan for the first eleven months of 2020 was RMB6,579 /sq.m., up 3.2% y-o-y (11M2019: ASP RMB6,373 /sq.m.).

Notes: <sup>1</sup>CCRE's contracted sales as at 30 November 2020 / Total contracted sales of Henan Province as at 30 November 2020 from Henan Provincial Bureau of Statistics;  
<sup>2</sup>CCRE's contracted GFA as at 30 November 2020 / Total contracted GFA of Henan Province as at 30 November 2020 from Henan Provincial Bureau of Statistics.

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## Land Acquisition

In accordance with our development strategy, in December 2020, the Company acquired a total of 7 new land plot in Zhecheng County in Shangqiu, Hebi, Zhengzhou, Dengfeng County in Zhengzhou, Jiyuan and Xinxiang with a land premium attributable to CCRE of RMB752 mn and an estimated attributable GFA of 322,861 sq.m. with average land cost of RMB2,014/sq.m..

### A Summary of the Land Acquisition in 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.)	Attr. Land Premium (RMB Mn)	Attributable GFA (sq.m.)	CCRE Int (%)
02/01/2020	Shijawan 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	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	Acquisition	R, K	1,307	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 Beiuyan 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%
06/08/2020	Anyang Yingbin Beiuyan East Land	Anyang	Land Auction	R, K	2,459	154,922	194	79,010	51%
13/08/2020	Mengzhou Huichang Road	Jiaozuo Mengzhou County	Land Auction	R, C, K	935	111,003	104	111,003	100%
14/08/2020	Wuzhi South Block of Heshuo Avenue	Jiaozuo Wuzhi County	Land Auction	R, C, K	1,019	178,148	182	178,148	100%
17/08/2020	Huayang Fengdu Phase II	Luoyang	Equity Cooperation	R, C, K	2,645	152,959	405	152,959	100%
19/08/2020	Luoshan County Bei'an Road Project	Xinyang Luoshan County	Land Auction	R, C, K	1,996	133,668	267	133,668	100%
19/08/2020	Gaoxin Zone Tianzhongdong Road Project	Luoyang	Land Auction	R, C, K	2,648	102,897	272	102,897	100%
26/08/2020	Huaiyang Shennong Road Project	Zhoukou	Acquisition	R, C, K	1,052	107,718	34	32,316	30%
28/08/2020	Anyang Duolun Sky Mansion	Anyang	Acquisition	R, K	1,516	139,017	63	41,705	30%
11/09/2020	Zhecheng Wuling Mountain Road Project	Shangqiu Zhecheng County	Acquisition	R, K	630	108,235	27	43,294	40%
29/09/2020	Taiqian Minsheng Road Project	Puyang Taiqian County	Land Auction	R, K	954	242,994	118	127,665	51%
29/09/2020	Luoyang Zhonghong Central Plaza	Luoyang	Equity Cooperation	R, C, K	2,811	588,712	287	102,083	17%
13/10/2020	Shangqiu Huashang Avenue Project	Shangqiu	Equity Cooperation	R, K	1,535	301,930	236	153,984	51%
16/10/2020	Yanling Eco New City	Xuchang Yanling County	Equity Cooperation	R	2,439	33,220	65	26,576	80%
16/10/2020	Chinoiserie Palace Batch II	Zhumadian	Equity Cooperation	R, K	1,281	194,537	135	105,050	54%
21/10/2020	Luoshen Palza Batch I	Luoyang	Equity Cooperation	R, K	2,539	586,881	1,490	586,881	100%
04/11/2020	Xinyang Shangcheng Chicheng Avenue	Xinyang Shangcheng County	Acquisition	R, C, K	1,417	80,508	40	28,178	35%
12/11/2020	Puyang Jindi Road Project	Puyang	Equity Cooperation	R, C, K	2,351	553,509	911	387,457	55%
30/11/2020	Shangcai Hexie Avenue Project – Da Shitang	Zhumadian Shangcai County	Equity Cooperation	R, C, K	866	110,791	96	110,791	100%
05/12/2020	Zhecheng Wulingshan Road	Shangqiu Zhecheng County	Equity Cooperation	R, C, K	541	103,158	22	41,263	40%
07/12/2020	Hebi Lijiang Road Project	Hebi	Acquisition	R, C, K	1,837	316,971	116	63,394	20%
10/12/2020	Blossom Garden	Zhengzhou	Redevelopment	R, K	3,116	120,512	376	120,512	100%
28/12/2020	Dengfeng Zhongyue Cultural Park Commercial Street Project	Zhengzhou Dengfeng	Equity Cooperation	Planning	2,314	12,692	29	12,692	100%
28/12/2020	Jiyuan Spring Time	Jiyuan	Land Auction	R, C, K	2,732	106,478	148	54,304	51%
31/12/2020	Xinxiang Xin lian Xin Project	Xinxiang	Acquisition	R, C, K	1,964	102,321	60	30,696	30%
<b>Total</b>					<b>1,649</b>	<b>9,175,975</b>	<b>9,481</b>	<b>5,950,198</b>	

## Land Bank Summary as at 31 December 2020

As at 31 December 2020, the estimated total land reserve GFA for new development is approximately 54.15 mn sq.m., (with attributable GFA of 40.15 mn sq.m.) at an average cost of RMB1,294/sq.m..

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

### Light-Asset Model Business

As of 31 December 2020, the Group's asset-light business had 206 projects under management, up 40.1% y-o-y. The total GFA under management achieved 25.54 mn sq.m., representing a y-o-y increase of 20.9%. Amongst which, 13 of CCRE's light-asset projects were outside Henan Province, spreading across 6 provinces (Hainan, Xinjiang, Shanxi, Shaanxi, Hebei and Anhui), with a total contracted GFA of 1.32 mn sq.m..

### Company News

#### Fitch Affirms CCRE's Ratings at "BB-" with a Stable Outlook

On 30 December 2020, Fitch Ratings affirmed CCRE's Long-Term Issuer Default Rating at "BB-". The Outlook is Stable. Fitch Ratings also affirmed the senior unsecured rating at "BB-" and the ratings on CCRE's outstanding foreign-currency senior unsecured bonds at "BB-". Fitch Ratings states in the research update, "CCRE's ratings are supported by its position as a leading homebuilder in China's Henan province, with 12% market share, and healthy leverage as of 30 June 2020" The ratings are also supported by the key drivers including expected stable sales and controlled land acquisitions in 2020.

#### CCRE Successfully Issues Its First USD260M 7.5% Green Senior Notes Due 2025

On 7 January 2021, CCRE successfully issued US\$260M 7.5% green senior notes due 2025. The debut green bond of CCRE marks a milestone for the Company in promoting the development of the green industry and achieving sustainable growth. The issuance was driven by institutional investors, including well-known fund managers and green funds, the proportion of green investors is roughly 10%. And the final allocation comprising of 49% Fund Managers, 31% Banks and Financial Institutions, 20% Private Banks with 73% of Investors from Asia and 27% from Europe. The Notes are expected to be rated "BB-" by Fitch Ratings.

### Recent IR Activities

Date	Event	Organizer	Location
13/01/2021	BNP Paribas Asia Property Forum	BNP Paribas	Video Conference

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