

Newsletter

March 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 RMB5,969 mn in the first two months of 2021, up 2.2% y-o-y

	Jan – Feb 2021	Jan – Feb 2020	Y-o-Y change
Heavy Assets Sales	2,337	4,178	-44.1%
Light Assets Sales	3,632	1,660	118.8%
Contracted Sales Total (RMB mn)	5,969	5,838	2.2%
Heavy Assets GFA	300,824	448,635	-32.9%
Light Assets GFA	631,450	299,336	111.0%
Contracted Sales GFA Total (sq.m.)	932,274	747,971	24.6%
Heavy Assets ASP	7,767	9,314	-16.6%
Light Assets ASP	5,753	5,547	3.7%
Average Selling Price per sq.m. Total (RMB)	6,402	7,806	-18.0%

In the month of February 2021, the contracted sales of Group’s heavy asset segment was RMB 926 million, representing a y-o-y increase of 1.9%. The Group’s heavy asset contracted sales GFA amounted to 130,081 sq.m., representing a y-o-y decrease of 23.9%. The heavy assets ASP is RMB 7,115/sq.m., representing a y-o-y increase of 33.8%.

Stock Data (as at 12 March 2021)

Price/share: HK\$ 3.72	Market Cap: Approximately HK\$10.943 bn	52-Week Range: HK\$3.11 – HK\$4.87	Shares Outstanding: 2,942 mn shares
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Heavy Asset Contracted Sales in February were Supported by:

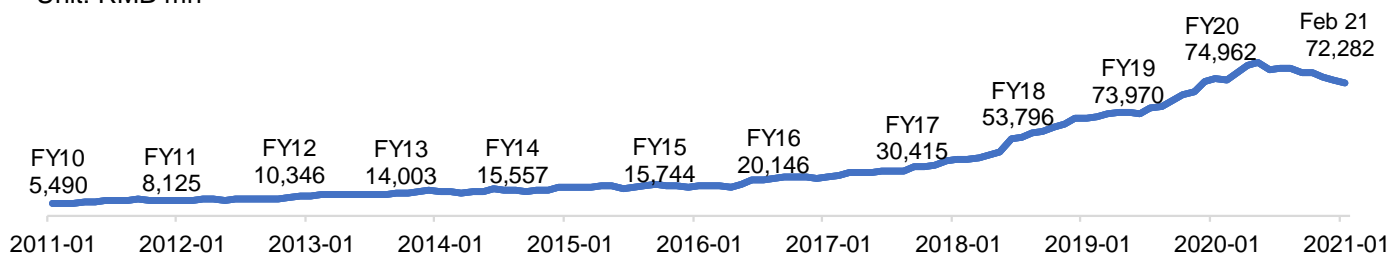
- Zhengzhou projects accounted for approximately 7% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 61% of the sales;
- County level cities projects in Henan contributed 32% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 201 projects/phases located in the 2nd, 3rd, 4th tier cities and county level cities in Henan;
- 92% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

Summary Breakdown of the Heavy Assets Contracted Sales in February 2021:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Huaiyang	Huaiyang Jianye Binhe Yard	80	12,962	6,144
Xinyang	Xinyang Mansion	76	9,456	7,994
Gongyi	Chinoiserie Palace	62	6,885	9,037
Zhumadian	Zhumadian Jianye Tianzhong Mansion	57	8,493	6,728
Puyang	Puyang Jianye Jianrun Mansion	44	8,274	5,332
Zhengzhou	Zhengzhou Jianye Taihong International City	36	3,055	11,872
Kaifeng	Kaifeng Country Garden Majestic Mansion	33	3,961	8,425
Mengzhou	Mengzhou Jianye Mansion	32	6,183	5,156
Zhengzhou	Beilonghu Financial Island	30	1,171	25,988
Shangqiu	Art Mansion	30	3,985	7,555
Luoyang	Dingding Palace	29	2,711	10,588
Xinyang	Huaibin Sweet Scented Osmanthus	27	4,452	6,102
Zhoukou	Jianye City	24	3,859	6,253
Puyang	Puyang Jianye Long Cheng	23	5,013	4,684
Anyang	Sky Mansion	22	3,332	6,506
Zhoukou	Zhoukou Jianye Shiyue Mansion	18	2,194	8,305
Puyang	Puyang Jianye Puyuan	18	3,529	5,064
Luoyang	Luoyang Huayang Fengdu	18	1,322	13,270
Luoyang	ZhongZhou Mansion	17	1,501	11,267
Weihui	Weihui Spring Time	16	2,600	6,223
	Others	233	35,141	6,627
Total		926	130,080	7,115

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



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Major Project Launch

In the month of February, CCRE launched 1 new projects/phases. The aggregate saleable resource of the new launch is RMB 266 mn. The first day of launch achieved an average sales/subscription rate of 12%, with sales subscription to be converted into contracted sales over the coming months.

A Summary of the Major Projects Launched in February 2021 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 (%)
Tai qian Jianye Jian Run Palace storage	28/02/2021	266	31	12%	2,056	225	11%
Total		266	31	12%	2,056	225	11%

Henan Property Market Sales Up 3.9% yoy in FY2020, CCRE Achieves Market Share of 11.2%

In the full year of 2020, the Henan real estate market contracted sales was up 3.9% y-o-y to RMB936.44 bn (FY2019: RMB901.00 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (including heavy asset and light asset) for the full year of 2020 reached RMB100.95 bn, representing a market share of 11.2%¹ for the total Henan real estate market.

Henan transaction volume in the full year of 2020 reached 141.01 mn sq.m., representing a y-o-y decrease of 1.2% (FY2019: 142.78 mn sq.m.). In terms of contracted GFA, as at the end of December 2020, CCRE accounted for 10.1%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the full year of 2020 was RMB6,641 /sq.m., up 5.2% y-o-y (FY2019: ASP RMB6,311 /sq.m.).

Notes: ¹CCRE's contracted sales as at 31 December 2020 / Total contracted sales of Henan Province as at 31 December 2020 from Henan Provincial Bureau of Statistics;
²CCRE's contracted GFA as at 31 December 2020 / Total contracted GFA of Henan Province as at 31 December 2020 from Henan Provincial Bureau of Statistics.

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Land Acquisition

In February 2021, the Company acquired a total of 5 new land plots in Luohe, Shangqiu and Linzhou county in Anyang with a total land premium of RMB771 mn, estimated total GFA was 830,688 sq.m.; land premium attributable to CCRE was RMB380 mn and estimated attributable GFA was 403,622 sq.m. Average land cost was RMB928 /sq.m..

A Summary of the Land Acquisition in 2021 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 (%)
13/01/2021	Kuangshan Jixie Factory Plot II	Jiaozuo	Cooperation	R, C, K	2,440	159,445	389	159,445	100%
15/01/2021	Kuangshan Jixie Factory Plot III	Jiaozuo	Cooperation	R, C, K	2,389	139,573	333	139,573	100%
22/01/2021	Yingtaogou Football Town Batch I	Zhengzhou	Cooperation	R, K	4,326	208,554	902	208,554	100%
28/01/2021	Anyang Jianye City Phase IV	Anyang	Cooperation	R, C, K	1,533	318,227	249	162,296	51%
28/01/2021	Jiaozuo Hengshui Taihua Project	Jiaozuo	Acquisition	R, K	1,177	433,985	506	429,645	99%
18/02/2021	Luohe Longjiang Ecological City (Tianyue)	Luohe	Acquisition	R, C, K	993	406,402	206	207,265	51%
19/02/2021	Minquan Renmin Road West Plot (Long Mansion)	Shangqiu	Cooperation	R, C, K	745	246,665	73	98,666	40%
23/02/2021	Linzhou Century School Project (Jianye City)	Anyang Linzhou County	Acquisition	R, C, K	1,033	177,621	101	97,692	55%
Total					1,624	2,090,471	2,760	1,503,135	

Land Bank Summary as at 28 February 2021

As at 28 February 2021, the estimated total land reserve GFA for new development is approximately 55.51 mn sq.m., (with attributable GFA of 41.21 mn sq.m.) at an average cost of RMB1,307/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..

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Company News

CCRE Redeems US\$400 million 6.5% Senior Notes due 2021

On 5 March 2021, CCRE has redeemed all the US\$400 million 6.5% senior notes due 2021 in full at maturity at the redemption price equal to 100% of the principal amount of all the 2021 Notes, which is US\$400,000,000, and accrued and unpaid interest of US\$13,000,000 up to (but not including), the Maturity Date. The Redemption Price paid by the Company on the Maturity Date is US\$413,000,000. In addition, the Company has obtained new National Development and Reform Commission (NDRC) approval in February 2021 to support its upcoming funding activities.

Recent IR Activities

Date	Event	Organizer	Location
01-04/03/2021	2021 Global Emerging Markets Corporate Conference	JP Morgan	Conference Call

Upcoming IR Activities

Date	Event	Organizer	Location
01/04/2021	2020 Annual Results Presentation	The Group	Conference Call

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