

Newsletter

May 2022

Central China Real Estate Limited is one of the leading Henan-based property developers, focusing on developing high-quality residential properties. With 30 years of development history, CCRE is the pioneer in adopting a “Provincial Strategy” and has achieved full coverage in Henan province with presence in 18 prefecture cities and 104 county-level cities in 2019. Known for its outstanding product quality, strong brand and experienced management team, CCRE ranked 1st among 2021 Top Chinese Real Estate Companies in Terms of Overall Strength in Henan and 2021 Top 100 Outstanding Real Estate Enterprises in China by Guandian Index Academy, and ranked 353th in the Fortune 500 China List in 2021.

LATEST NEWS

✓ **CCRE Achieved Contracted Sales of RMB2.6 billion in the Month of April 2022**

In the month of April 2022, CCRE achieved property contracted sales of RMB2,630 million, representing a y-o-y decrease of 18.0%, with a contracted sales GFA of 374,242 sq.m., representing a y-o-y decrease of 11.5%, and with the ASP amounted to RMB7,026 /sq.m. representing a y-o-y decrease of 7.3%.

For the first four months ended 30 April 2022, CCRE achieved total property contracted sales of RMB8,897 million, representing a y-o-y decrease of 36.3%. The total contracted sales GFA achieved 1,166,549 sq.m., representing a y-o-y decrease of 35.7%. The ASP for the first four months of 2022 was RMB7,626 /sq.m., representing a y-o-y decrease of 0.9%.

✓ **Luoyang Municipal People's Government Issued 18 New Real Estate Policies to Support Real Estate Enterprises**

On 29 April 2022, the Luoyang Municipal People's Government issued 18 new real estate policies to support real estate enterprises. The policy includes the minimum down payment ratio for second-hand housing HPF loans is 20%. For families buying their first house, the minimum down payment ratio is 20%; for families that already own a house and have not paid off the corresponding mortgage loan, the minimum down payment ratio is 30%.

✓ **Nanyang Government Provided Housing Allowance of RMB10k to New Citizens and Raised HPF Loans Up to RMB800k on 29 April 2022**

✓ **Jiyuan Revised Up the Maximum of Provident Fund Loan to RMB300k for Individuals and to RMB450k for Couples; and Lowered the Minimum Down Payment to 20% on 11 May 2022**

Stock Data (as at 13 May 2022)

Price/share: HK\$ 0.59	Market Cap: Approximately HK\$1.749 bn	52-Week Range: HK\$0.50 – HK\$3.00	Shares Outstanding: 2,964 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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Contracted Sales in April were Supported by:

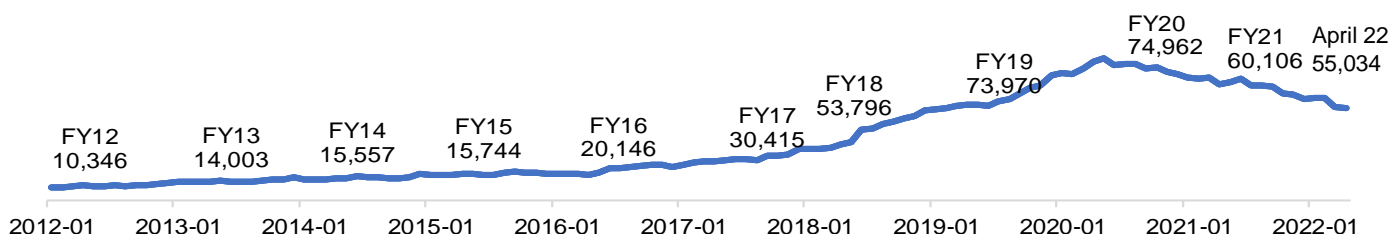
- Zhengzhou projects accounted for approximately 15% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 60% of the sales;
- County level cities projects in Henan contributed 25% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 267 projects/phases located in the tier 2,3,4 cities and county level cities in Henan;
- In April, 85% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

Summary Breakdown of the Contracted Sales in April 2022:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Xinxiang	Xinxiang Jianye U-Town	183	26,339	6,956
Shangqiu	Yucheng Jianye Songshan Mansion	94	16,023	5,845
Zhengzhou	Zhengzhou Taihong Project	77	6,739	11,379
Shangqiu	Shangqiu Chinoiserie Palace	58	8,920	6,464
Nanyang	Nanyang Jianye Country Garden Longyue City	52	7,230	7,249
Zhengzhou	Zhengzhou Jianye Wulong New City	48	7,283	6,615
Xinxiang	Xinxiang Jianye Chinoiserie Palace	48	12,093	3,976
Luoyang	Luoyang Jianye Code One City	47	5,894	7,969
Luoyang	Luoyang Jianye Zhonghong City	46	3,665	12,679
Jiyuan	Jiyuan Jianye Chinoiserie Palace	42	4,480	9,279
Shangqiu	Shangqiu Jianye Art Mansion	41	6,815	6,051
Shangqiu	Shangqiu Jianye Shanghe Palace	41	6,103	6,717
Luoyang	Luoyang Jianye Dingding Palace	34	3,823	8,994
Zhumadian	Zhumadian Jianye Chinoiserie Palace	34	4,448	7,727
Zhengzhou	Zhengzhou Jianye Chengyuan	33	3,075	10,737
Luoyang	Luoyang Jianye Zhongzhou House	32	4,064	7,860
Nanyang	Dengzhou Jianye Qingyunli	30	4,822	6,259
Jiaozuo	Jiaozuo Jianye Palace	29	3,895	7,366
Puyang	Puyang Sky Mansion	27	3,024	8,795
Shangqiu	Shangqiu Jianye Jiangshan Palace	27	3,310	8,011
	Others	1,607	232,195	6,920
	Total	2630	374,242	7,026

12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



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Major Project Launch

In the month of April, CCRE launched 12 new projects/phases. The aggregate saleable resources of the new launch is RMB1,525 mn. The first day of launch achieved an average sales/subscription rate of 27%, with sales subscription to be converted into contracted sales over the coming months.

A Summary of the Major Projects Launched in April 2022 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 (%)
Huaiyang Binhe Courtyard Phase I	06/04/2022	56	3	5%	10,592	478	5%
Jiaozuo Jianye Palace	16/04/2022	2	2	78%	737	545	74%
Xinxiang Chinoiserie Palace	19/04/2022	18	18	100%	2,815	2,815	100%
Shangqiu Chengyuan	20/04/2022	34	8	22%	3,871	799	21%
Jiyuan Jianye Chinoiserie Palace	23/04/2022	66	10	15%	7,402	1,170	16%
Shangqiu Jianye Songshan Palace	23/04/2022	404	91	23%	71,010	12,382	17%
Suiping Jianye Palace	24/04/2022	12	2	15%	2,322	360	16%
Shangqiu Chinoiserie Palace	24/04/2022	124	6	5%	18,174	913	5%
Xinxiang U-Town	28/04/2022	486	168	35%	67,230	24,149	36%
Dengzhou Qingyunli	30/04/2022	160	25	16%	24,956	4,018	16%
Xinxiang Honour Mansion	30/04/2022	157	80	51%	23,444	13,129	56%
Xinxiang Xinfei Jianye Palace	30/04/2022	7	1	8%	797	39	5%
Total		1,525	412	27%	233,351	60,797	26%

Henan Property Market Sales Down 6.7% y-o-y in 3M22, CCRE Achieves Market Share of 4.5%

In the first three months of 2022, the Henan real estate market contracted sales was down 6.7% y-o-y to RMB137.16 bn (3M21: RMB146.96 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (without light asset) for the first three months of 2022 reached RMB6.18 bn, representing a market share of 4.5%¹ for the total Henan real estate market.

Henan transaction volume in the first three months of 2022 reached 22.69 mn sq.m., representing a y-o-y increase of 2.2% (3M21: 22.19 mn sq.m.). In terms of contracted GFA (without light asset), as at the end of March 2022, CCRE accounted for 3.5%² of the overall Henan real estate market. The average transacted price for property sales in Henan for the first three months of 2022 was RMB6,045 /sq.m., down 8.7% y-o-y (3M21: ASP RMB6,622 /sq.m.).

^{*}CCMG completed its spin-off and separate listing on 31 May 2021.

¹Notes: ¹CCRE's contracted sales as at 31 March 2022/ Total contracted sales of Henan Province as at 31 March 2022 from Henan Provincial Bureau of Statistics;

²CCRE's contracted GFA as at 31 March 2022/ Total contracted GFA of Henan Province as at 31 March 2022 from Henan Provincial Bureau of Statistics.

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Land Acquisition

In April 2022, the Company acquired a total of 2 new land plots in Zhengzhou and Yongcheng county in Shangqiu, with a total land premium of RMB263 mn. The estimated total GFA was 151,668 sq.m.; land premium attributable to CCRE was RMB149 mn and estimated attributable GFA was 66,752 sq.m.. The average land cost was RMB1,731 /sq.m..

As of the end of April 2022, the Company acquired a total GFA of 886,418 sq.m. in 2022, with land premium of RMB1,319 mn. The land premium attributable to CCRE was RMB691 mn and estimated attributable GFA was 443,633 sq.m.. The average land cost was RMB1,488 /sq.m..

A Summary of the Land Acquisition in 2022 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 (%)
06/01/2022	Xiping Spring Time	Zhumadian Xiping County	Cooperation	R, K	1,047	9,165	5	5,041	55%
17/01/2022	Shangqiu Huasheng Road Project	Shangqiu	Cooperation	R, K	1,578	367,258	296	187,302	51%
10/02/2022	Zhumadian Chinoiserie Palace Phase III	Zhumadian	Cooperation	R, K	1,304	358,327	241	184,538	52%
06/04/2022	Lianmeng 7 Mu Land	Zhengzhou Shangqiu	Land Auction	R, K	7,296	10,142	74	10,142	100%
13/04/2022	Yongcheng Lianmeng Dongwang	Yongcheng County	Land Auction	R, K	1,332	141,526	75	56,610	40%
Total					1,488	886,418	691	443,633	

Recent IR Activities

Date	Event	Organizer	Location
10/05/2022	2022 Financial Real Estate Equity and Credit Conference	Bofa Securities	Conference Call

Upcoming IR Activities

Date	Event	Organizer	Location
07-08/06/2022	2022 JPM Asia Credit Conference	JP Morgan	Conference Call
23/06/2022	2022 Citi Asia Pacific Property Conference	Citi Bank	Conference Call
24/06/2022	2022 Barclays ESG Corporate Day	Barclays	Conference Call

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