

# Newsletter

July 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 RMB2.97 billion in June 2022, Up 37% M-o-M**

In the month of June 2022, CCRE achieved property contracted sales of RMB2,973 million, representing a m-o-m increase of 37.0%, with a contracted sales gross floor area GFA of 440,065 sq.m., representing a m-o-m increase of 42.7%, and with the ASP amounted to RMB6,756 /sq.m. representing a m-o-m decrease of 4.0%.

For the first six months ended 30 June 2022, CCRE achieved total property contracted sales of RMB14,040 million, representing a y-o-y decrease of 54.8%. The total contracted sales GFA achieved 1,914,891 sq.m., representing a y-o-y decrease of 52.7%. The ASP for the first six months of 2022 was RMB7,332 /sq.m., representing a y-o-y decrease of 4.3%.

### ✓ **CCRE and Henan RCIC Have Agreed to Continue Due Diligence at Advanced Stage**

Since the announcement on 1 June, CCRE has continued to negotiate with Henan Railway Construction & Investment Group Co., Ltd. (“Henan RCIC”) in relation to the proposed issuance of the Convertible Bonds and the disposal of the Shares respectively, the parties have been in communication and made good progress on due diligence. The due diligence between CCRE and Henan RCIC is currently at a more advanced stage and the parties have also agreed to continue actively advancing the project for the purpose of entering into the Definitive Subscription Agreement and the Definitive SPA.

### ✓ **Henan Issued 155 Measures to Support the Economy, Reduced the Minimum Down Payment to 20% for First Home Buyers**

### ✓ **Henan Zhengzhou Lowered the Maximum First Home Mortgage Interest Rate to 4.25%**

### ✓ **The Minimum Down Payment Ratio for the First Home Buyer in Zhengzhou Airport District is 20% ; the Maximum Subsidy for Highly Educated Talents is RMB3 Million**

## Stock Data (as at 13 July 2022)

<b>Price/share:</b> HK\$ 0.58	<b>Market Cap:</b> Approximately HK\$1.719 bn	<b>52-Week Range:</b> HK\$0.50 – HK\$2.06	<b>Shares Outstanding:</b> 2,964 mn shares
----------------------------------	--	--	---

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

# Newsletter

July 2022

## Contracted Sales in June were Supported by:

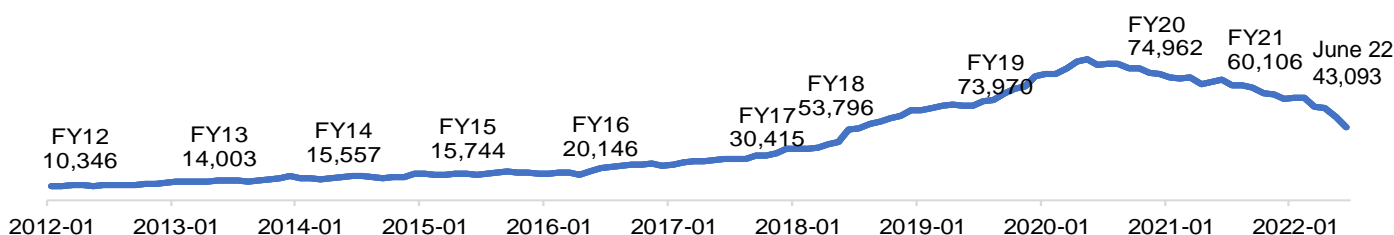
- Zhengzhou projects accounted for approximately 13% of the sales;
- Tier 3 & 4 cities projects in Henan accounted for 64% of the sales;
- County level cities projects in Henan contributed 23% of the sales;
- Contracted sales continue to be diversified, with sales contribution from 262 projects/phases located in the tier 2,3,4 cities and county level cities in Henan;
- In June, 88% of contracted sales came from projects unaffected by HPR (HPR only in Zhengzhou)

## Summary Breakdown of the Contracted Sales in June 2022:

City	Project Name	Contracted Sales (RMB mn)	Contracted Area (sq. m.)	ASP (RMB/ sq. m.)
Zhengzhou	Zhengzhou Jianye Taihong	82	7,759	10,512
Shangqiu	Shangqiu Jianye Art Mansion	70	10,522	6,643
Shangqiu	Shangqiu Jianye Jiangshan Palace	68	10,718	6,390
Puyang	Puyang Sky Mansion	68	7,058	9,628
Luoyang	Luoyang Jianye Dingding Palace	67	7,886	8,475
Shangqiu	Shangqiu Jianye Chinoiserie Palace	64	10,243	6,280
Xinxiang	Xinfei Jianye Palace	61	7,837	7,790
Nanyang	Nanyang Jianye Country Garden Longyue City	56	7,796	7,156
Anyang	Anyang Jianye City	55	8,293	6,618
Shangqiu	Shangqiu Jianye Shanghe Yuan	48	7,644	6,337
Zhumadian	Zhumadian Jianye Chinoiserie Palace	46	5,991	7,733
Anyang	Anyang Jianye Chinoiserie Palace North Park Phase II	44	5,630	7,855
Zhoukou	Huaiyang Jianye Binhe Yuanzi	41	7,592	5,441
Xuchang	Xiangcheng Jianye CCRE Mall	41	9,226	4,444
Hebi	Hebi Jianye Longmen No. 7 Courtyard	40	5,722	7,062
Luoyang	Luoyang Jianye Zhonghong City	40	3,736	10,810
Shangqiu	Shangqiu Yuelong Mansion	40	5,733	6,983
Luoyang	Luoayng Jianye City	39	4,679	8,285
Zhengzhou	Zhengzhou Jianye Sky Mansion	38	1,314	28,922
Luoyang	Luoyang Jianye Cifi Honour Mansion	38	3,397	11,164
	Others	1,925	301,288	6,389
	<b>Total</b>	<b>2,973</b>	<b>440,065</b>	<b>6,756</b>

## 12-Month Rolling Heavy Assets Contracted Sales Trend

Unit: RMB mn



# Newsletter

July 2022

## Major Project Launch

In the month of June, CCRE launched 9 new projects/phases. The aggregate saleable resources of the new launch is RMB443 mn. The first day of launch achieved an average sales/subscription rate of 47%, with sales subscription to be converted into contracted sales over the coming months.

## A Summary of the Major Projects Launched in June 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 (%)
Jianye Changjian Lixiang Cheng	11/06/2022	58	6	10%	9,917	1,638	17%
Art Mansion Phase II	12/06/2022	85	17	20%	12,304	2,541	21%
Xinxiang Jianye Honour Mansion	17/06/2022	201	157	78%	32,999	25,783	78%
Taiqian Jianye Jianrun Palace No.31	19/06/2022	25	2	8%	4,410	360	8%
Jianye Forest Peninsula Phase VII	22/06/2022	22	6	27%	3,674	1,003	27%
Xiping Jianye Spring Time	26/06/2022	13	2	13%	2,416	289	12%
Xincai Jianye Sweet-scented Osmanthus Garden	30/06/2022	7	0	1%	96	1	1%
Taiqian Jianye Jianrun Palace No.28	30/06/2022	27	16	57%	4,836	2,620	54%
Taiqian Jianye Jianrun Palace Carpark	30/06/2022	5	3	56%	70	40	57%
<b>Total</b>		<b>443</b>	<b>208</b>	<b>47%</b>	<b>70,722</b>	<b>34,275</b>	<b>48%</b>

## Henan Property Market Sales Down 20.5% y-o-y in 5M22, while CCRE Achieves Market Share 4.5%

In the first five months of 2022, the Henan real estate market contracted sales was down 20.5% y-o-y to RMB242.44 bn (5M21: RMB305.00 bn), according to Henan Provincial Bureau of Statistics. CCRE's contracted sales (without light asset) for the first five months of 2022 reached RMB10.92 bn, representing a market share of 4.5%<sup>1</sup> for the total Henan real estate market.

Henan transaction volume in the first five months of 2022 reached 39.90 mn sq.m., representing a y-o-y decrease of 10.7% (5M21: 44.68 mn sq.m.). In terms of contracted GFA (without light asset), as at the end of May 2022, CCRE accounted for 3.7%<sup>2</sup> of the overall Henan real estate market. The average transacted price for property sales in Henan for the first five months of 2022 was RMB6,076 /sq.m., down 11.0% y-o-y (5M21: ASP RMB6,827 /sq.m.).

<sup>1</sup>CCMG T completed its spin-off and separate listing on 31 May 2021.

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

<sup>2</sup>CCRE's contracted GFA as at 31 May; 2022/ Total contracted GFA of Henan Province as at 31 May 2022 from Henan Provincial Bureau of Statistics.



# Newsletter

July 2022

## Land Acquisition

In June 2022, the Company did not acquire any new land.

As of the end of June 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%
<b>Total</b>					<b>1,488</b>	<b>886,418</b>	<b>691</b>	<b>443,633</b>	

## Recent IR Activities

Date	Event	Organizer	Location
23/06/2022	2022 Barclays ESG Corporate Day	Barclays	Conference Call
24/06/2022	Citi Asia Pacific Property Conference	Citi Bank	Conference Call

### Contact Us

Ms. Hazel Chan Investor Relations Manager

Tel 852 2992 7905

Fax 852 2620 5221

Email [hazelchan@centralchina.com](mailto:hazelchan@centralchina.com)

Ms. Christine Yang Senior Investor Relations Analyst

Tel 852 2992 7911

Fax 852 2620 5221

Email [christine@centralchina.com](mailto:christine@centralchina.com)

Follow us on WeChat:



# Newsletter

July 2022

## 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.