

[For immediate release]



**建業地產股份有限公司**  
**Central China Real Estate Limited**

**Central China Real Estate Limited announces 2019 Interim Results**

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**Profit attributable to shareholders of the company increased by 19.6% to RMB658 million**  
**Proposes to double dividend payment to HK15.6 cents per share**  
**Contracted Sales at light-asset business surged by 81.3% to RMB11.93 billion**  
**Growth in scale achieved on the back of progress in light-asset business**

**Financial Highlights:**

RMB million	For the six months ended 30 June		Change
	2019	2018	
Revenue	9,068	4,771	+90.1%
Gross Profit	2,474	1,720	+43.8%
Net Profit	768	574	+33.8%
Profit attributable to shareholders of the company	658	550	+19.6%
Basic earnings per share (RMB cents)	24.08	22.28	+8.1%
Interim dividend per share (HK cents)	15.6	7.16	+117.9%

(21 Aug 2019 – Hong Kong) — **Central China Real Estate Limited** (“CCRE” or the “Company”, which together with its subsidiaries, is referred to as the “Group”; SEHK stock code: 832), one of the leading Henan-based property developers, announced its unaudited interim results for the six months ended 30 June 2019 (the “Period”).

In the first half of 2019, the Group continued to grow its business despite the complicated and difficult markets at home and abroad. The growth was attributable to the Group’s steady execution of its annual work plan for the year. The Group achieved good results in all aspects of its operations, from real estate development and sales to light-asset operations and cultural tourism, embodying the concept of “Taking Root in Central China and Contributing to Society.”

During the Period, the Group stepped up the sales of its properties, accelerated the development of its light-asset business and thus achieved outstanding growth. Contracted sales amounted to RMB39.591 billion, representing a year-on-year increase of approximately 24.1%. Specifically, the contracted sales at its heavy-asset businesses amounted to RMB27.66 billion, representing a year-on-year increase of approximately 9.2%. The corresponding contracted area sold was approximately 3.82 million sq.m., up by 11.0% year on year. Meanwhile, the contracted sales at the light-asset business was RMB11.931 billion, up by approximately 81.3% year on year. The corresponding contracted area sold by the Group was approximately 2.12 million sq.m., up by 56.3% year on year. In terms of the total contracted sales value, the Company had a 10.7% share of Henan province’s market.

The Group's revenue in the first half of 2019 was approximately RMB9.068 billion, up by 90.1% from the approximately RMB4.771 billion for the same period last year. The Group's gross profit increased by 43.8% year on year to approximately RMB2.474 billion from the approximately RMB1.720 billion for the same period last year; profit attributable to equity holders of the Group rose by 19.6% year on year to RMB658 million; basic earnings per share were RMB24.08 cents, up by approximately 8.1% year on year. The Board recommends payment of an interim dividend of HK15.6 cents per share, more than doubled from HK7.16 cents per share in the same period last year.

In addition to property sales, the Group also pressed on with the development of its light-asset business and the operation of hotel, cultural tourism and green agricultural bases. Such diversification of its business has enabled the Group to expand its revenue base and diversify its business risks. Revenue from property sales increased by 93.9% year on year to approximately RMB8.394 billion from the approximately RMB4.329 billion in 2018; revenue from the provision of property development project management service under the light-asset business model increased by 62.2% to approximately RMB404 million in the first half of 2019 from the RMB249 million in the first half of 2018; revenue from hotel operation increased by 12.9% year on year to RMB149 million in 2019 from approximately RMB132 million in the same period last year; income from property leasing increased by 31.7% year on year to approximately RMB79 million in 2019 from the approximately RMB60 million in the same period last year.

As the increases in contracted sales and cash collection from such sales were satisfactory, the cash and cash equivalents and restricted bank deposits of the Group totalled approximately RMB23.817 billion as at 30 June 2019; net borrowings totalled approximately RMB6.557 billion with net gearing ratio of approximately 60.5%. The Group adhered to a prudent approach to financial management, thus maintaining both a high proportion of cash in its total assets and a reasonable level of borrowings.

During the Period, the Group continued with a prudent approach to the acquisition of lands and accelerated the construction of property projects so as to shorten the property development cycle. In the first half of 2019, the Group acquired lands with a total site area of approximately 1.67 million sq.m. through tenders, auctions, bids for lands in the listings posted by the government and equity cooperation. This also means the addition of a total gross floor area ("GFA") of approximately 4.52 million sq.m. to the Group's land bank. The Group had a land bank with a total GFA of approximately 47.69 million sq.m., including approximately 37.19 million sq.m. attributable to the Group's equity stakes in the property projects. In the first half of 2019, the Group delivered 31 property projects and delivered properties with a total GFA of approximately 2.47 million sq.m. As at 30 June 2019, the Group undertook construction of 127 property projects. The GFA under construction was 26.55 million sq.m.. As at 30 June 2019, the contracted sales not yet recognized at the Company were approximately RMB50.59 billion with the corresponding gross profit of approximately RMB12.60 billion. The amounts are expected to be recognized as revenue and gross profit in the next two to three years.

In its light-asset business, as at 30 June 2019, the Company has entered into contracts to undertake 131 property projects under its light-asset model with estimated total GFA of approximately 19.91 million sq.m. For 2019, the Group has mapped out its strategic development plan, under which, its light-asset business has expanded into the markets of other provinces beyond Henan. Following the contract for the development of Central China Cultural Town in Xingtai, Hebei, the Group has received letters of intent for cooperation from over 10 local governments and enterprises across the country. In the first half of 2019, the Group was approached for six projects with intention for cooperation, including three property projects which are similar to that of Central China Cultural Town and three residential property projects. In the first half of the year, the Group's light-asset business has entered into contracts for 22 property projects, of which one project is located outside Henan Province. The total GFA of these projects is expected to reach approximately 3.19 million sq.m.

The Group's cultural tourism business engages in the development and operation of real estate projects for cultural tourism principally located in historic cities in Henan Province. As at 30 June 2019, the Company had four projects for cultural tourism, namely Jianye Huayi Brothers Film Town, Jianye "Unique in Henan (只有河南)", Zhengping Fang in Luoyang and Jianye Ivi 1895. The first phase of Jianye Huayi Brothers Film Town has been topped out, and it was scheduled to be opened for operation on a trial basis at the end of 2019. The "Unique in Henan (只有河南)" is scheduled to be opened in 2020. Progress is being made in the construction of Zhengping Fang. For Jianye Ivi 1895, three Jianye Ivi theatres were in operation in Zhengzhou, with another three franchised cinemas and eight audio-visual halls to be run in various cities in Henan.

Looking ahead, **Mr. Wu Po Sum, Chairman of the Group** concluded, "The Chinese government will steadily carry out its work plan with the aim of attaining steady economic growth. Henan province is poised to fully tap its own potential and to attain steady development in economy in the second half of the year on the back of population growth, favourable government policies and China's strategy of national development. Under the theme of 'Housing is for living in, not for speculating on' in the national policy to regulate the property market, local governments will continue to adopt city-specific policies to regulate the local property markets to ensure their steady development. In the second half of the year, the Group will increase its effort to acquire lands and speed up the development of the property projects with emphasis on the enhancement of profitability of its operations in some key local markets in the country. This can lead to quality growth in the Group's business. In addition, the Group will forge ahead with marketing and sales for property projects through co-branding partnerships nationwide. It will also explore new ways to conduct marketing campaigns so as to ensure good results for the year. This will pave way for sustainable and steady development of the Group."

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#### **About CCRE**

Central China Real Estate Limited is one of the leading Henan-based property developers which focuses on developing high-quality residential properties. With 27 years of development history, CCRE has adopted the "Provincial Strategy" and gradually expanded into prefecture and county-level cities in Henan. As of 31 December 2018, the Company had presence in 18 prefecture cities and 77 county-level cities in Henan province. Known for its outstanding product quality, strong brand and experienced management team, the Company ranked 26th 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 2018" 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.

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