



建业新生活
CENTRAL CHINA NEW LIFE

香港股票代码
9983.HK

2020 INTERIM RESULTS INVESTOR PRESENTATION

CENTRAL CHINA NEW LIFE LIMITED

28TH AUGUST 2020



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Outline

1. **Company Overview**
2. **Results Highlights**
3. **Financial Highlights**
4. **Business Performance**
5. **Outlook and Strategies**



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Company Overview



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Central China New Life Limited

HKEx Code: 9983.HK

To achieve our mission which is to enrich the living experience and lifestyle of all the people in Henan (我们的使命是让河南人民都过上好生活), we are committed to creating a new lifestyle services platform. Practicing the core value of “rooting in central China and benefiting the people”, Central China New Life’s business covers three major segments including: property management and value-added services, lifestyle services, and commercial property management and consultation services, which cover property management, lifestyle, intelligent communities, quality living, customized tourism, exquisite hotels, commercial property management, agriculture development, cultural tourism operations, high-end membership clubs and other diversified businesses to create a service system that leads a new lifestyle. Through the membership benefit platform “Jianye+”, Central China New Life provides lifestyle services that covers all time, space and functions to **50 million** business customers, **1.2 million** property owners, **150,000** students and parents, **100,000** employees and their families as well as over **16,000** Central China Consumer Club members.

As the largest comprehensive lifestyle service provider in central China, Central China New Life adheres to the corporate concept of “everything is customer-centred”, closely focusing on people's consumption upgrades and diverse needs, and promotes the overall social progress and helps people live a better life.

Company Overview

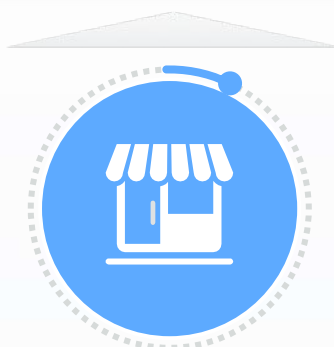
A comprehensive service provider deeply rooted in central China region

Our Mission: To enrich the living experience and lifestyle of all the people in Henan

A comprehensive service provider deeply rooted in central China, focusing on meeting diverse needs of the customers and enriching the categories of the goods and services in the areas it covers **where they stay, where they travel, what they eat and how they entertain**

| 1 | Property Management and Value-added Services | 1H2019 | 1H2020 |
|---|--|--------|--------|
| | Revenue (RMBm) | 530 | 844 |
| | Revenue Contribution | 77.9% | 79.5% |
| | GP Margin | 33.1% | 31.7% |
| | YoY Growth | | 59.3% |

- ❑ **Property Management**
 - GFA under management: 70.1m sq.m.
- ❑ **Value-added Services**
 - Community value-added services
 - Value-added services for non-property owners
 - Intelligent community solutions
 - Property agency
 - Central China Consumers Club



| 2 | Lifestyle Services | 1H2019 | 1H2020 |
|---|----------------------|--------|--------|
| | Revenue (RMBm) | 114 | 173 |
| | Revenue Contribution | 16.7% | 16.3% |
| | GP Margin | 33.3% | 40.1% |
| | YoY Growth | | 51.6% |

- ❑ Jianye+ (建业+) platform (**2.81m** registered users)
- ❑ Travel services (**4** categories of travel packages)
- ❑ Cuisine Henan Foodcourts (**7** in operation)



1H2020
Revenue: RMB 1.06bn
Gross Profit: RMB 368m
Net Profit: RMB 189m



| 3 | Commercial Property Management and Consultation Services | 1H2019 | 1H2020 |
|---|--|--------|--------|
| | Revenue (RMBm) | 36 | 45 |
| | Revenue Contribution | 5.4% | 4.2% |
| | GP Margin | 77.6% | 69.8% |
| | YoY Growth | | 22.2% |

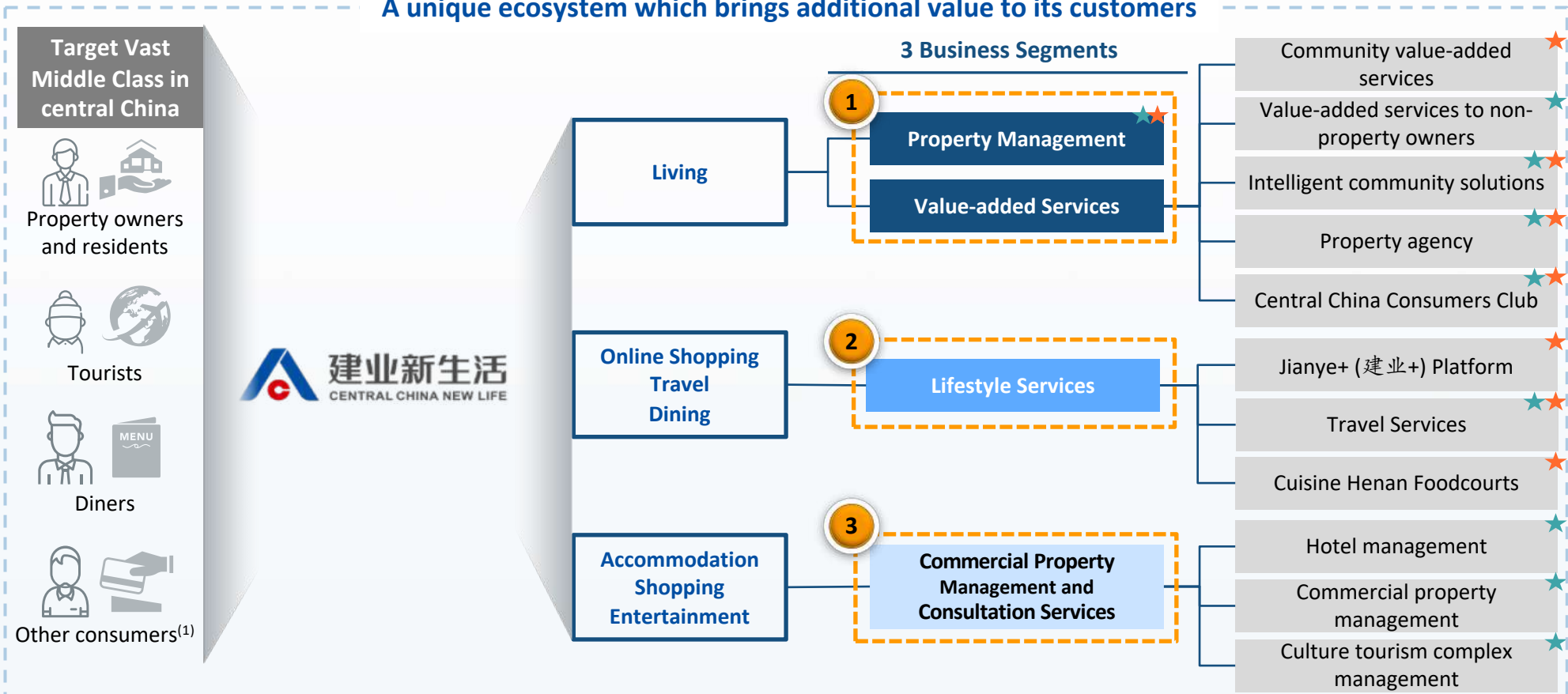
- ❑ Hotel management
- ❑ Commercial property management
- ❑ Cultural tourism complex management

Business Model

Connecting resources and customers through our platform and meeting customer needs with our services

Leveraging on our **brand recognition**, **existing individual and corporate clients** and **integrated O2O one-stop service platform**, we created an **ecosystem** that brings additional value to our customers, and fostered a growing portfolio of high quality and customized products and services that is personal and customizable to the **vast middle class in central China**

A unique ecosystem which brings additional value to its customers



★ Business-to-Business “B2B” offering
 ★ Business-to-Consumers “B2C” offerings

(1) Consist of football fans of Jianye Football Club and teachers and parents of Central China Education

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Results Highlights

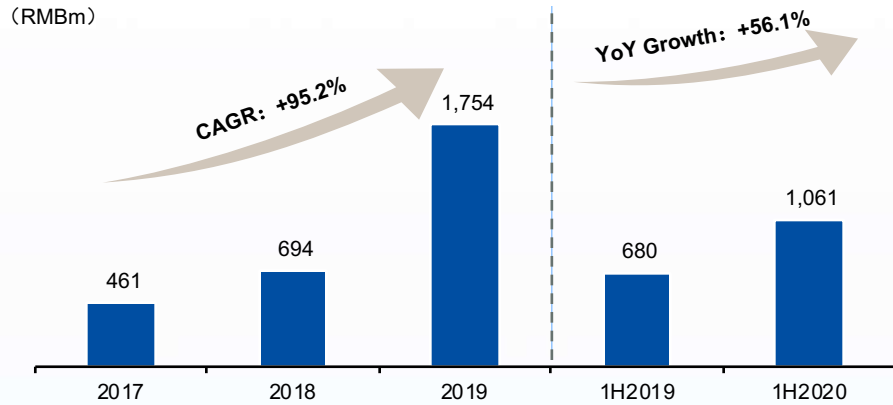


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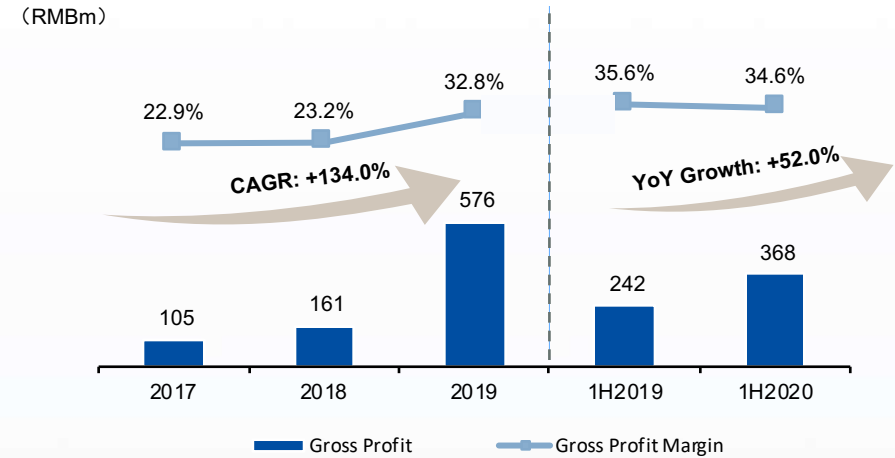
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Outstanding Financial Growth

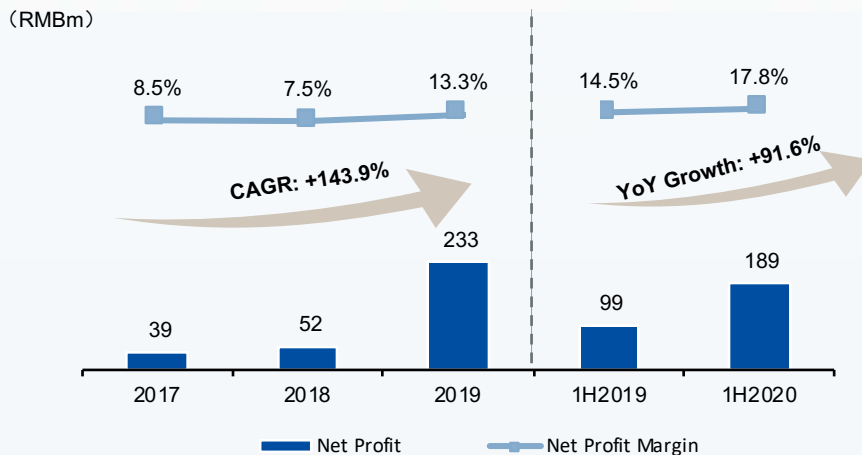
Revenue



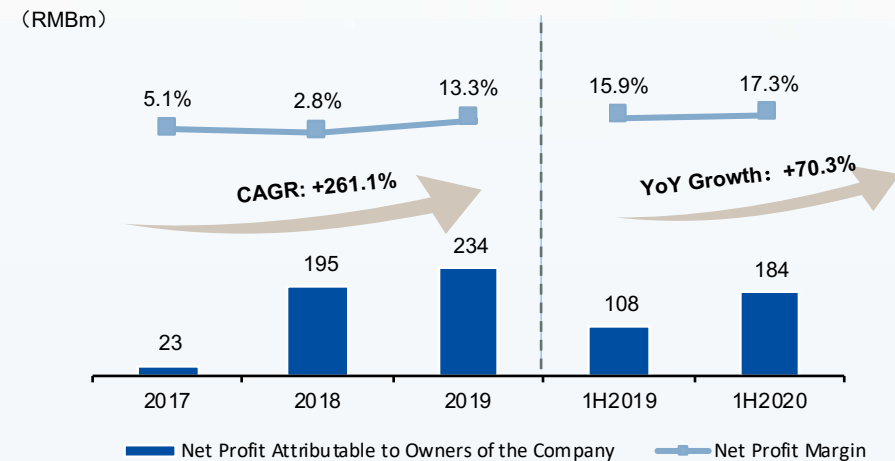
Gross Profit and Gross Profit Margin



Net Profit and Net Profit Margin



Net Profit Attributable to Owners of the Company

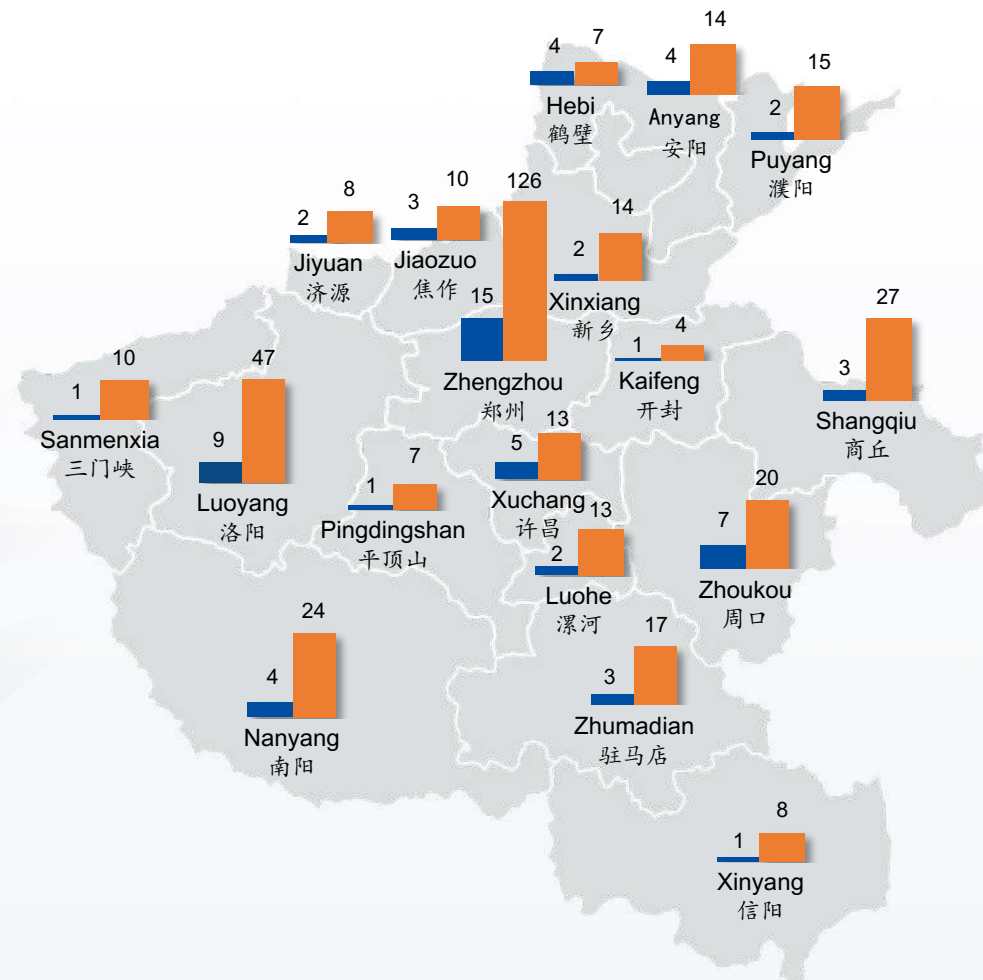


Rapidly Increasing Scale and Density of Properties

↑68.0%
GFA under management

↑57.1%
Contracted GFA

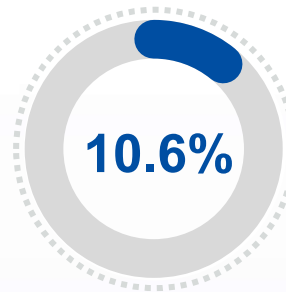
↑71.5%
Contracted GFA of third parties



■ GFA under management as end of 30th June 2020 (m sq.m)
■ 1H20 Revenue (RMBm)

Notes: The change of GFA is in comparison with that as end of 30th June 2019.

Company Management: Improved Quality and Efficiency

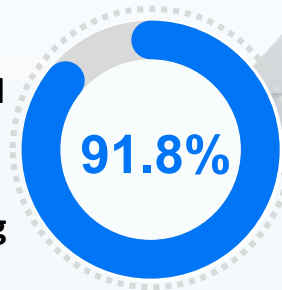


Administration expense ratio decreased 2.6 ppt

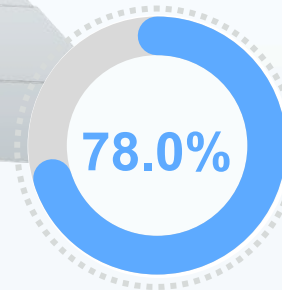
Administration Expense Ratio

Improved Quality and Efficiency

Covered all the 18 prefecture-level cities and 94 of the 104 county-level cities in Henan as well as Haikou, Hainan and Korla, Xinjiang



Coverage in Henan Province



Bid Win Rate

Bid win rate achieved 78.0%

Strong Growth of “Jianye+”



Revenue achieved 128 RMBm,
with YoY growth of 109.2%

Revenue

Gross Profit

Gross profit reached 59 RMBm,
indicating YoY growth of 58.0%



GMV reached 300 RMBm,
with YoY growth of 72.8%

GMV



Members

Expanded 340,000 new members
with YoY growth of 204.6%



Repeat purchase rate reached 48.9%
with an increase of 3.3 ppt compared
to the same period last year

MAU

Registered Users

Registered users achieved 2.8m with a
YoY increase of 81.3%



3

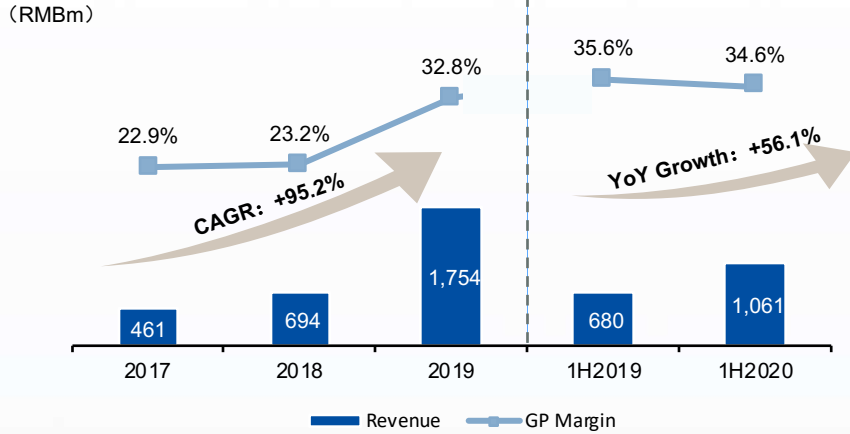
Financial Highlights



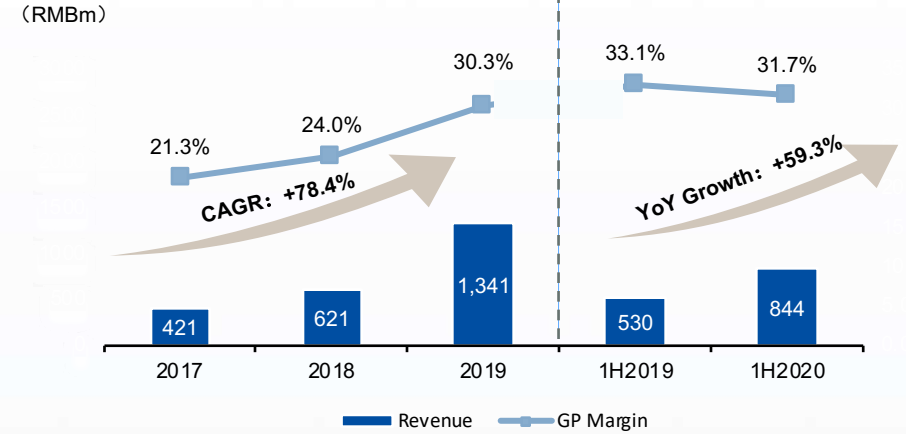
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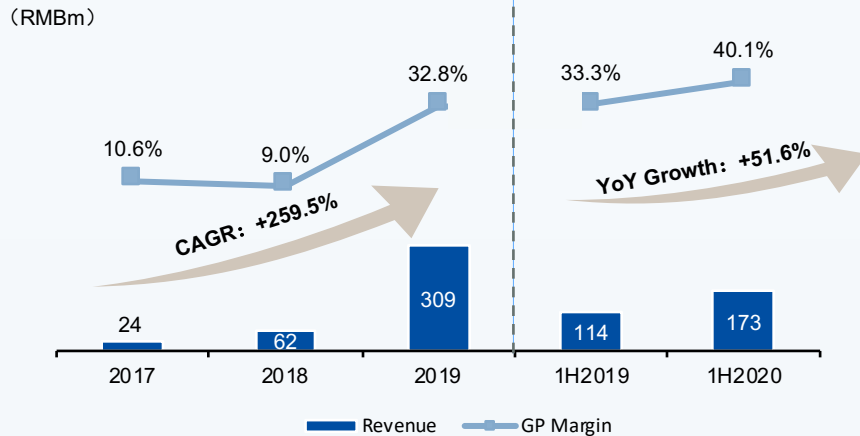
Revenue and GP Margin



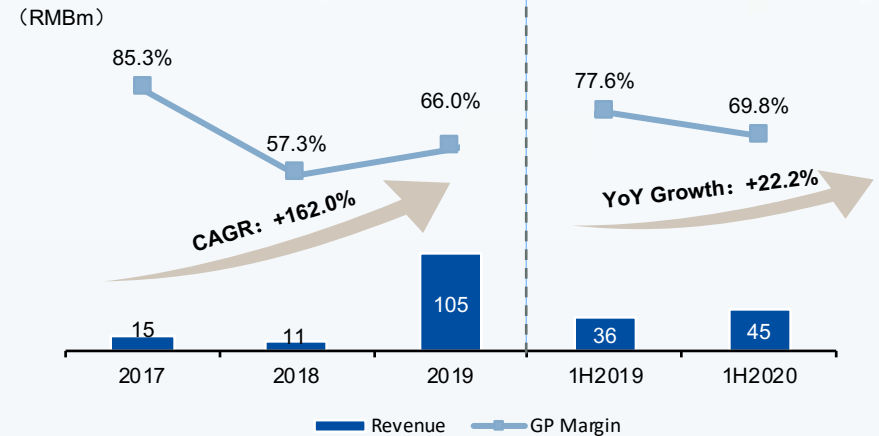
Property Management and Value-added Services















Lifestyle Services



Commercial Property Management and Consultation Services



Financial Highlights

| RMB'000 | 1H2020 | 1H2019 | Change% |
|---|-----------|----------|-----------|
|  Revenue | 1,061,186 | 680,019 | +56.1% |
|  Gross profit | 367,510 | 241,813 | +52.0% |
|  Gross profit margin | 34.6% | 35.6% | -1.0 ppt |
|  Administrative expenses | (112,076) | (89,381) | +29.4% |
|  Administrative expenses margin | 10.6% | 13.1% | -2.6 ppt |
|  Net profit | 188,965 | 98,608 | +91.6% |
|  Net profit margin | 17.8% | 14.5% | +3.3 ppt |
|  Net profit attributable to owners of the company | 183,814 | 107,917 | +70.3% |
|  Return on equity (ROE) | 12.4% | 39.5% | +27.1 ppt |
|  Earnings per share (RMB/share) | 0.1870 | 0.1202 | +55.6% |
|  Dividend per share (HKD Cent/share) | 6.6 | — | — |
|  Dividend payout ratio | 40.0% | — | — |

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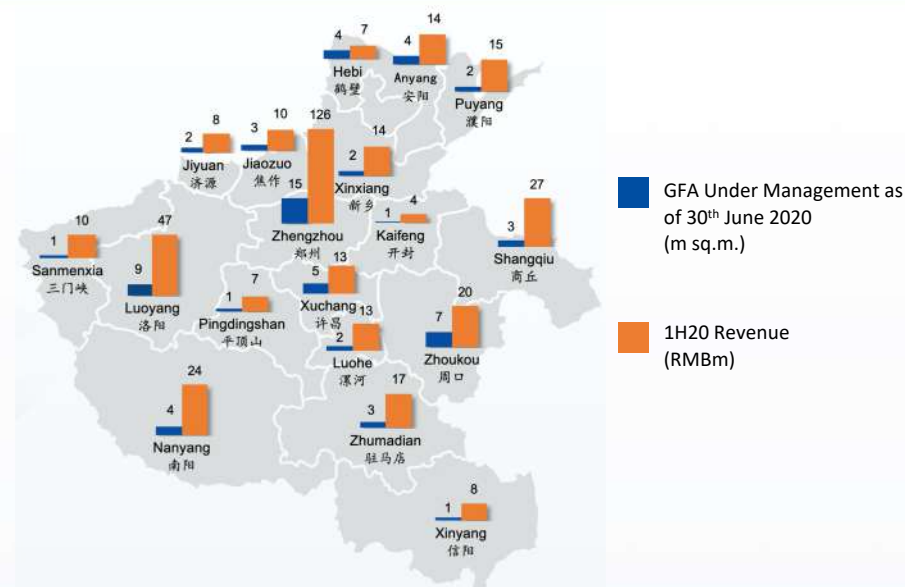
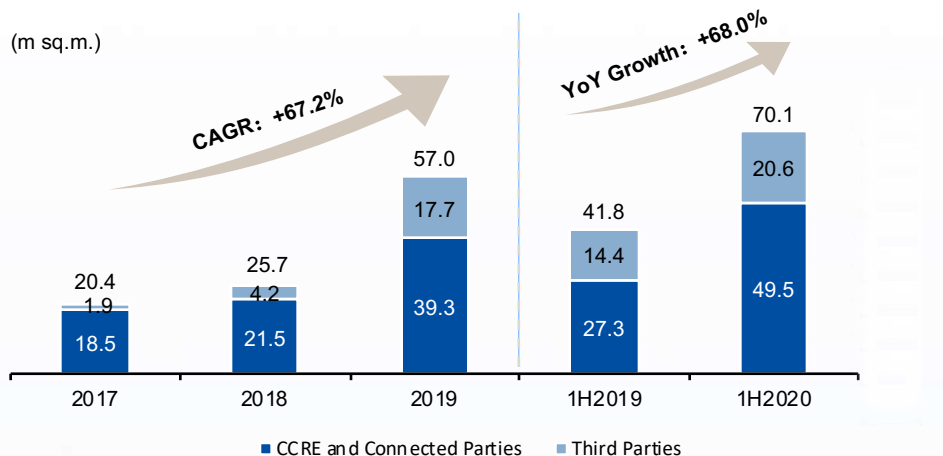
Business Performance



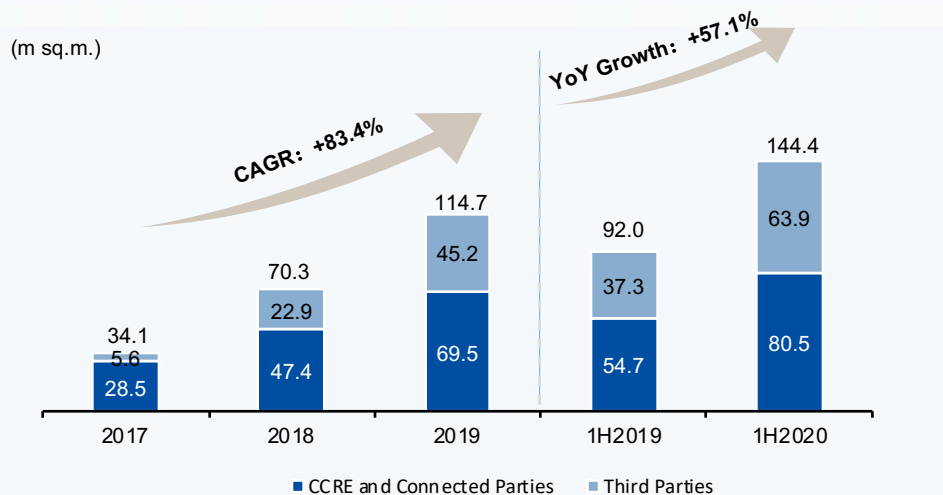
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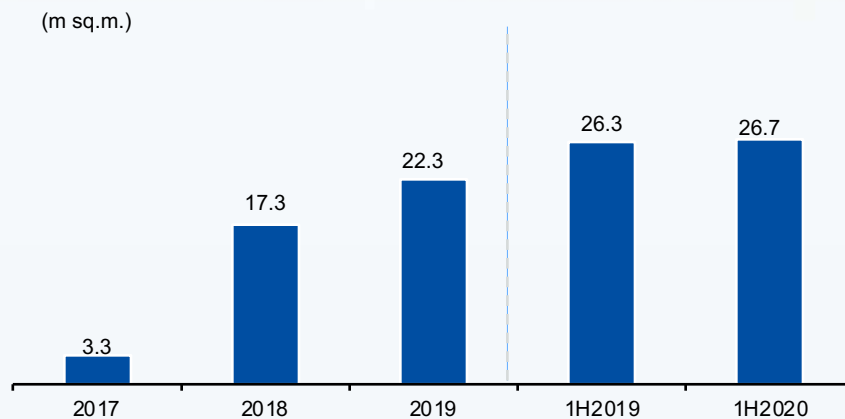
GFA Under Management



Contracted GFA

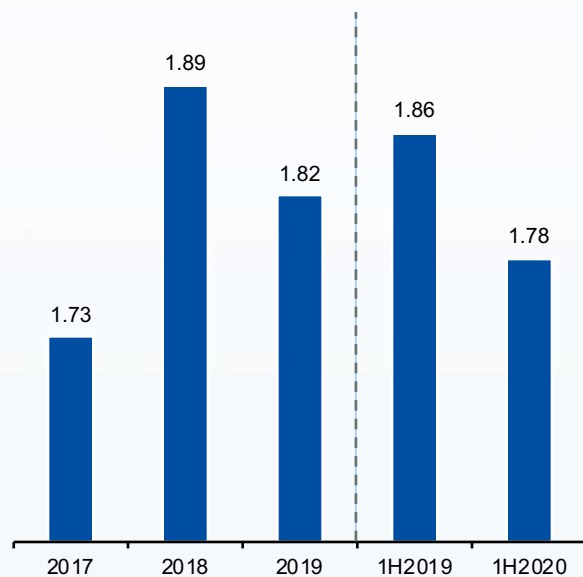


Increment of Contracted GFA from Third Parties

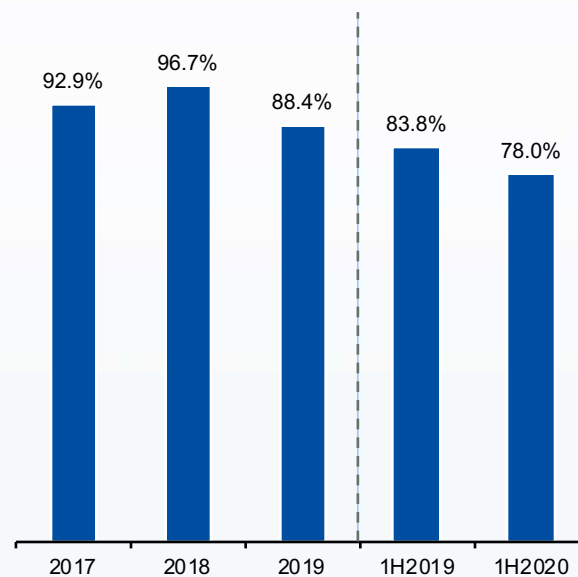


Average Property Management Fee

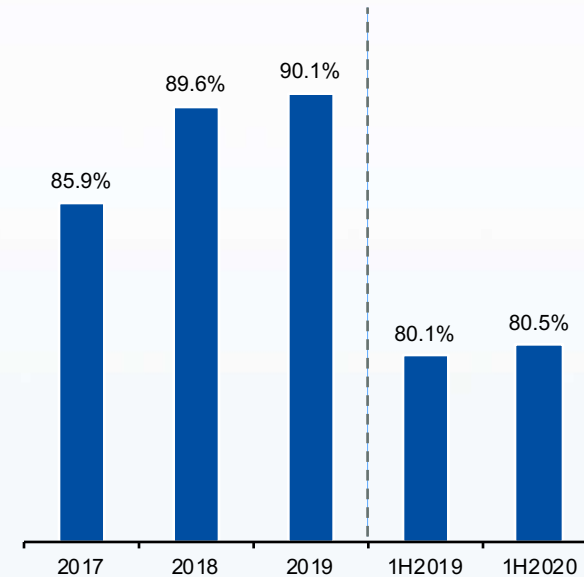
(RMB/sq.m./mth)



Bid Win Rates



Collection Rates





Community Value-added Services

Provide community value-added services for property owners and residents including Clubhouse, Interior repair and maintenance, Housekeeping and cleaning, Vehicle cleaning and charging, Drinking water, Group purchase, Furnishing, Item pick up, Housing agency, Property purchase service outside Henan and Platinum Butlers



Value-added Services to non-property owners

Provide value-added services to non-property owners, who are primarily property developers, including Onsite sales assistance, Consultancy and Property inspection



Intelligent Community Solutions

Introduce automation products through our subsidiary, Aiou Electronic.

Provide IoT and intelligent community solutions to property developers and intelligent home devices to property owners



Property Agency

Offer feasibility studies, marketing planning, sales consultancy and distribution channel development and integration services for both new properties (property developers) and second-hand properties (individual customers)



Central China Consumers Club

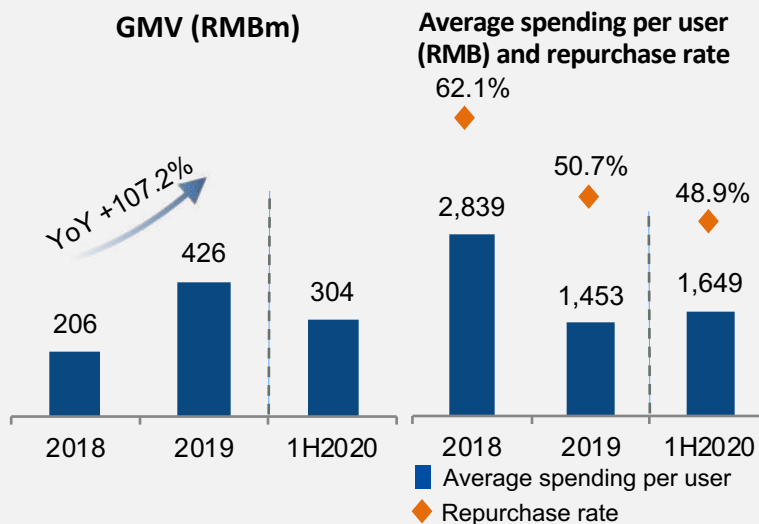
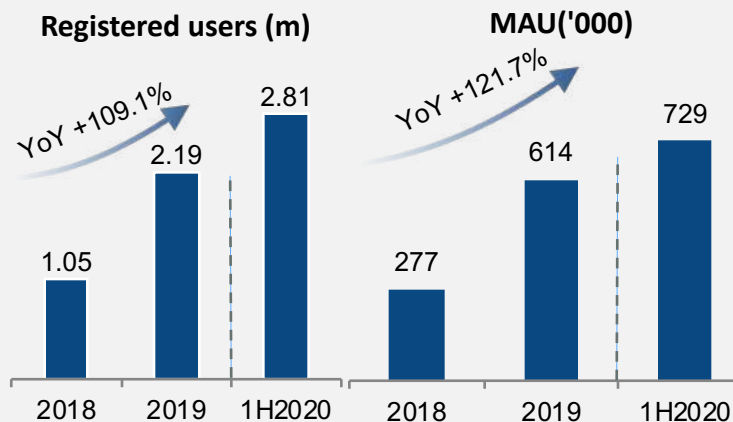
Provide benefits, privileges and exclusive customer services to its members, who are generally selected VIP clients of the CCRE Group and members are generally enrolled by invitation or through referral only



Jianye+ Platform

Our **Jianye+ (建业+)** platform is a one-stop service platform which synchronizes our internal and external resources with our O2O service capabilities, providing convenient and more affordable goods and services to 2.80 million registered users:

- **Concierge Services:** Includes convenience services, technical support and social networking services
- **One Family Community (一家公社):** Pre-sells consumer goods and services through community group buying and offline sales
- **Membership Benefit Services:** members can enjoy discounts on goods and services, as well as experience exclusive offers



Travel Services

Since our travel business commenced in 2016, we offer 4 categories of travel packages:

- **Leisure Tours:** Itineraries to destinations around residential communities, within Henan and elsewhere in the PRC
- **Corporate Tours:** Our major corporate customers range from local companies to international enterprises including the CCRE Group and third-party corporations
- **Football Tours:** catering to the needs of football fans of Jianye Football Club
- **Educational Tours:** Target students and their families



Cuisine Henan Foodcourts

We began operating the "Cuisine Henan Foodcourts (建业大食堂)" on April 1, 2019, offering a wide variety of Henan delicacies:

- Cooperate with local vendors where we are responsible for the general management of the foodcourts and the vendors operate their own food stalls and restaurants
- Operate **seven** Cuisine Henan Foodcourts, hosting over **390 vendors** offering food types representing 18 prefecture-level cities in Henan



Hotel Management

- ❑ Commenced hotel management service in 2017
- ❑ Provide three types of services, including (i) managing overall operation of a hotel, (ii) supervising hotel operation by existing operators and (iii) providing consulting services
- ❑ **9 hotels (> 1,750 rooms)** under our management or supervision, including:
 - **4 hotels and hostels** branded under the CCRE Group, for which the Company is responsible for the operation and management
 - **5 hotels** operated by int'l hotel groups such as Marriott, Intercontinental and Accor, for which we supervise the hotel management services

Branded under the CCRE Group



Sky Mansion
Serviced Apartment



The Mist Hot
Spring Hotel

International Hotel Groups



- ❑ Commenced Commercial Property Management and Consultation service in Jan 2019
- ❑ Provide two main categories of services:
 - **Pre-opening consultation:** Includes services such as market research on vendor and clientele demographics, financial analysis, vendor solicitation/management, and strategic planning
 - **Post-opening management services:** Includes services such as vendor, sales and operation, and training management
- ❑ Achieved 89.5% occupancy rate in 1H20



Zhengzhou Central China
Triumph Square



Luoyang Central China
Triumph Square

Commercial Property Management



Cultural Tourism Complex Management

- ❑ Commenced Cultural Tourism Complex Management service in 2019
- ❑ Provide overall operations and consultancy services for two distinct types of cultural tourism complex:
 - **Cultural tourism projects:** Promote the local culture through the operation and management of cultural tourism projects, and advise on the overall logistic and infrastructure planning, local specialties and various aspects of cultural tourism projects to ensure smooth operations
 - **Suburban leisure complex:** Create an efficient agricultural system providing additional features to traditional agricultural business including leisure, sightseeing and science and technology education

Project
Planning

Technical
Support

Intelligent
greenhouse
construction
consultation

Agricultural
product planting

Agricultural
product sale

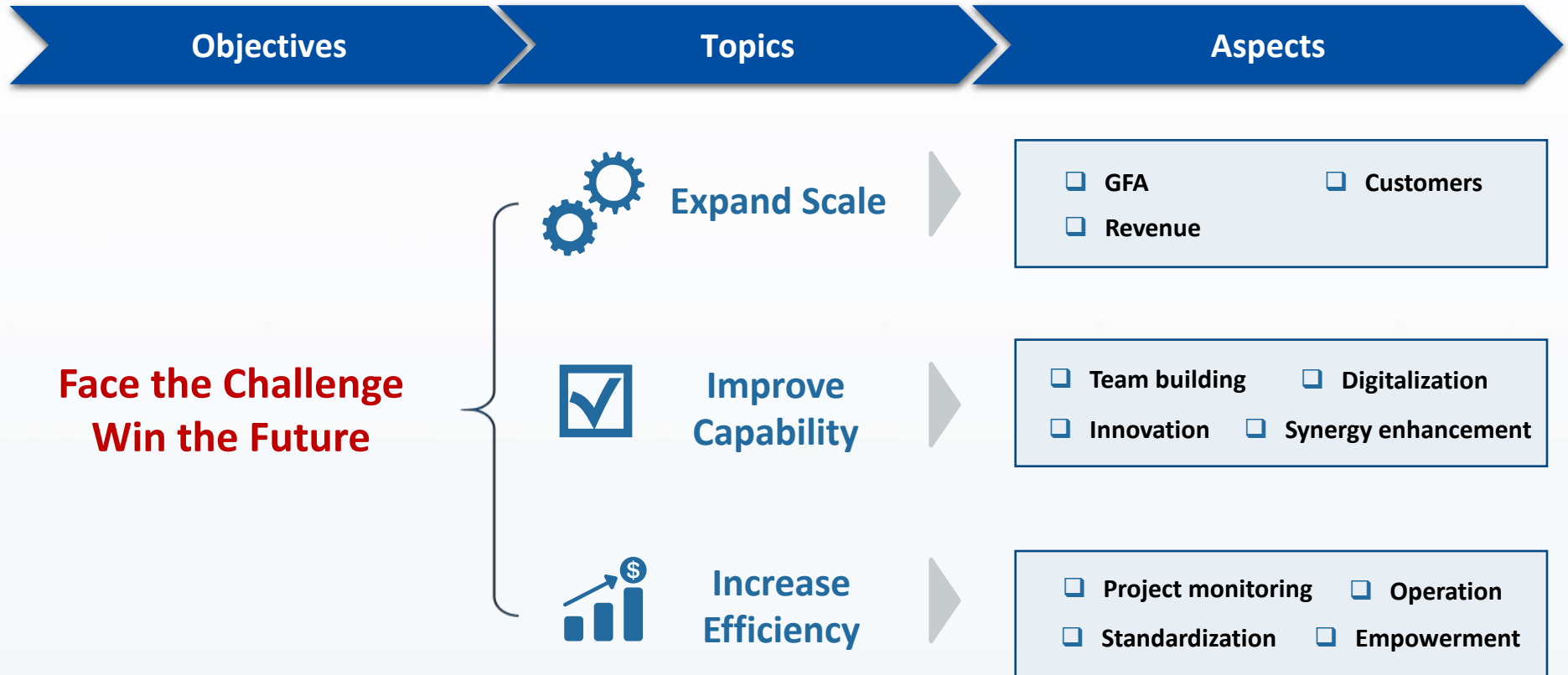
Branding &
operation
management

5 Outlook and Strategies



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Expand business scale through continuous GFA growth and customer acquisition



GFA growth: Formulate designated incentive policies regarding M&A and strategic investment. Further expand GFA scale via five different means including project entrustment, M&A, joint ventures, management entrustment and consultation



Customers acquisition: Optimize supply chain system and apply various promotion strategies to enhance trust from customers and accelerate customer acquisition, expedite service center and alliance merchants in key business areas coverage, and increase KOL visit frequency and high-class events organization to attract more high net-worth, high stickiness clients



Revenue increase: Maintain competitive advantage through continuous GFA growth and customer acquisition; strengthen collaboration with external parties to enhance brand value and awareness, so that to support the achievement of full year revenue target



Increase management capabilities via digitalization, innovation, risk control and synergy realization

- **Team building:** Improve property management team structure, performance assessment system and training programs with a focus on employee development
- **Digitalization:** Leverage on Jianye+ Platform to improve user experience and user stickiness, establish HR and financial information sharing system and business integration system, and continuously increase intelligent property management capability
- **Innovation:** Build innovation platforms, improve the tailor-made C2B property sales model and optimize service and product designs
- **Synergy enhancement:** Explore more city service opportunities by leveraging on resources advantages from CCRE Group, and drive future growth via realizing synergies with CCRE Group from external expansion, internal collaboration, integrated marketing, land acquisition and customer resources



Further improve management & operational efficiency and strengthen cost control

- **Project Monitoring:** Closely monitor project progress with the supervision system, weekly updates and monthly assessments to ensure timely delivery and target achievement
- **Operation:** Continuously apply comprehensive budget management with the focus on strengthening cost control and capital budgeting refinement, and leverage on digital platform to improve operation and decision-making efficiency
- **Standardization:** Enhance management and operation capabilities by standardizing property management, tailor-made C2B property sales model and commercial asset management businesses
- **Empowerment:** Leverage on Jianye+ platform to promote full coverage of business digitalization, improve service quality by offering tailor made service according to different customer classification, and implement HR and financial information sharing systems to improve management efficiency

Advance “Jianye+”
platform
development

Raise customer
and employee
satisfaction rates

Promote C2B
property sales
model

Implement
“My Jianye Home”
activities

Facilitate execution
of Luoyang
Flagship Project

Increase GFA under
management by 30m
sqm via M&A and
third-parties projects
cooperation



Thanks!



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