



**建业新生活**  
CENTRAL CHINA NEW LIFE

香港股票代码  
9983.HK

# 2021 ANNUAL RESULTS INVESTOR PRESENTATION

CENTRAL CHINA NEW LIFE LIMITED (9983.HK)

17<sup>TH</sup> MARCH 2022



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# Outline

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2. **Financial Highlights**
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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

Central China New Life (“CCNL”) aims to create “a new lifestyle service platform”. Practicing the core value of “Be Rooted in Central China and Benefit the People”, the business of CCNL covers three major segments including: Property Management and Value-added Services, Lifestyle Services, and Commercial Property Management and Consultation Services, which cover property management, select lifestyle, intelligent community, quality dwelling, customized tourism, exquisite hotels, commercial property management, agriculture development, cultural tourism operation, high-end membership clubs and other various businesses to create a service system that leads a new lifestyle. Through the membership benefit platform “Jianye+”, CCNL provides **2.1 million** property owners, **150,000** students and their parents, **100,000** employees and their families with temporally, spatially and functionally holistic lifestyle services.

As the largest nova lifestyle service provider in Central China, CCNL adheres to the corporate concept of “All about Customer-centricity”, closely focuses on consumption upgrade and diverse needs of the people, promotes all-round social progress and helps people live a better life.

## Our Mission: make all the people in Central China live better

We are a comprehensive service provider deeply rooted in Central China, which focuses on satisfying our customers' diverse needs and enriches the types of goods and services in the region where our company covers - **where to stay, where to travel, what to eat and how to recreate**

**1**

Property management and value-added services	2020	2021
Revenue (RMBm)	2,199	3,041
Revenue contribution	82.9%	84.5%
Gross profit margin	31.3%	32.1%
2021 YoY revenue growth		38.3%

- ❑ **Property management**
  - Total GFA under management: approx. **136** million sq.m.
- ❑ **Value-added services**
  - Community value-added services
  - Value-added services to non-property owners

**2**

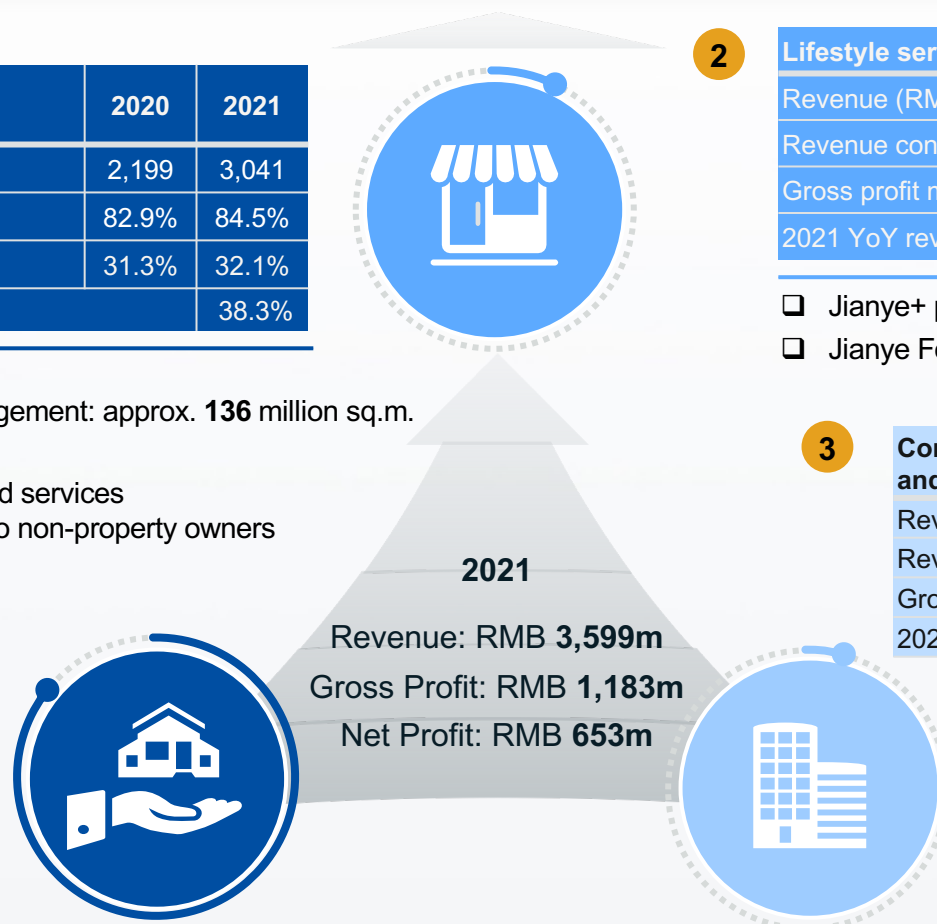
Lifestyle services	2020	2021
Revenue (RMBm)	366	407
Revenue contribution	13.8%	11.3%
Gross profit margin	32.7%	26.6%
2021 YoY revenue growth		11.1%

- ❑ Jianye+ platform (approx. **5.84m** registered users)
- ❑ Jianye Foodcourts (currently **6** in operation)

**3**

Commercial property management and consultation services	2020	2021
Revenue (RMBm)	89	151
Revenue contribution	3.4%	4.2%
Gross profit margin	60.0%	64.5%
2021 YoY revenue growth		68.7%

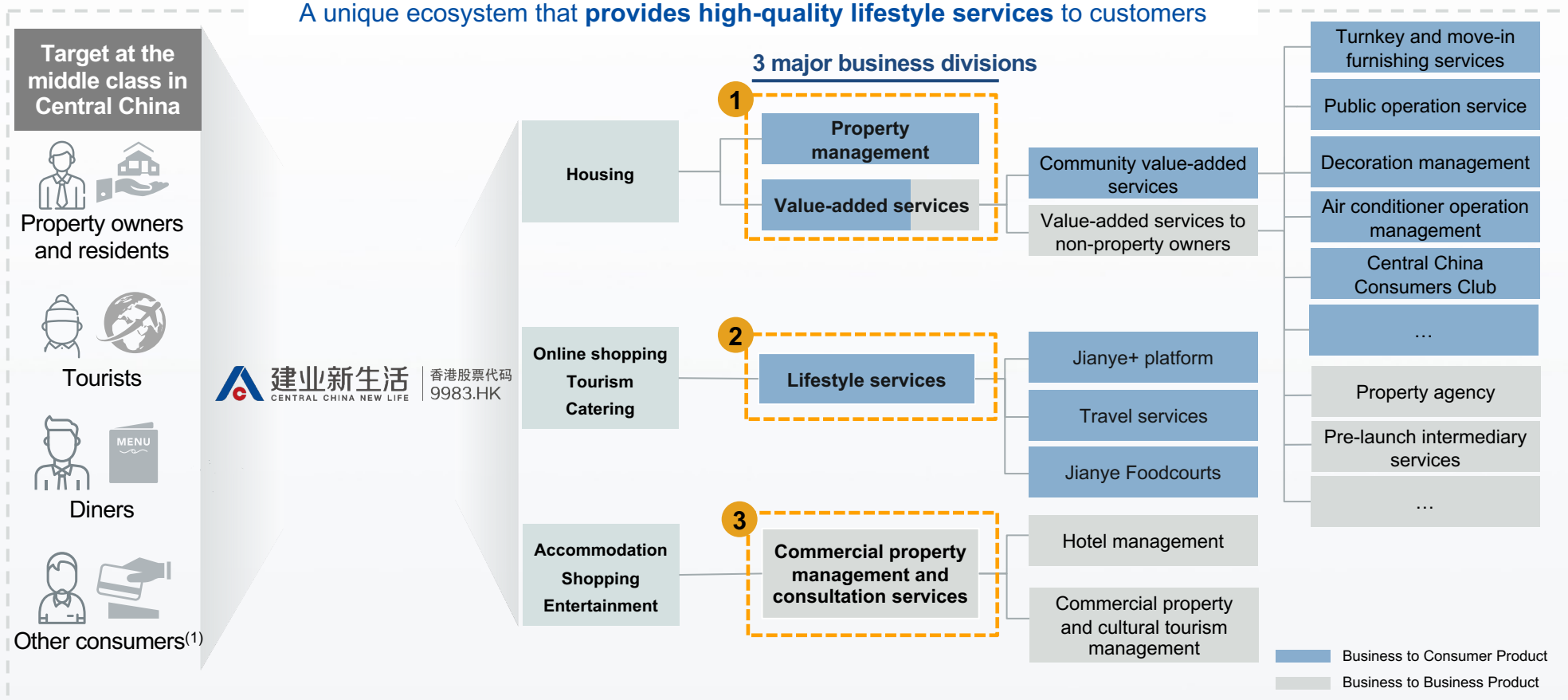
- ❑ Hotel management (**10** hotels)
- ❑ Commercial property management and consultation services (**7** shopping malls)
- ❑ Cultural tourism complex management (**5** cultural tourism complexes)



## An easily accessible, constantly connected and fully linked local lifestyle service platform

Leveraging on our brand awareness, customers base, resource advantages and complete O2O one-stop service platform, CCNL created a service ecosystem that brings additional value to our customers, and is rudimentarily capable of providing high-quality lifestyle services to our customers in all aspects

A unique ecosystem that provides high-quality lifestyle services to customers



(1) Including fans of Henan Songshan Longmen FC, teachers and parents of Central China Education and other consumers in the ecological circle of CCNL

# 2 Financial Highlights

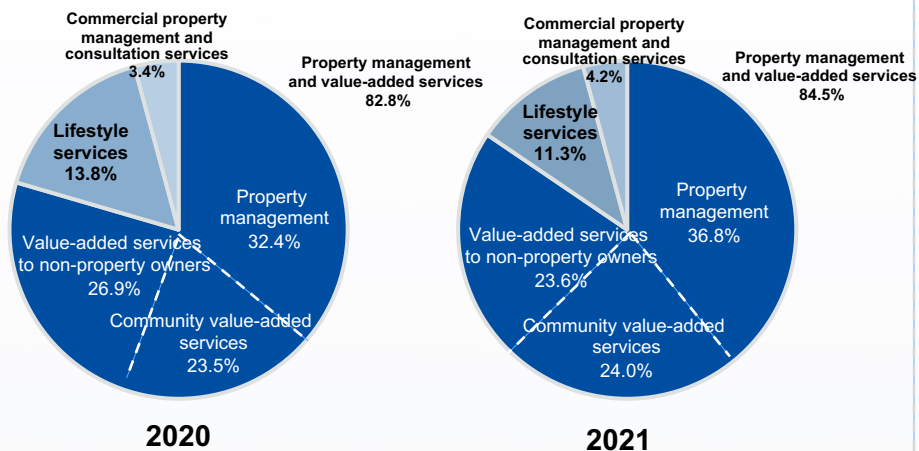


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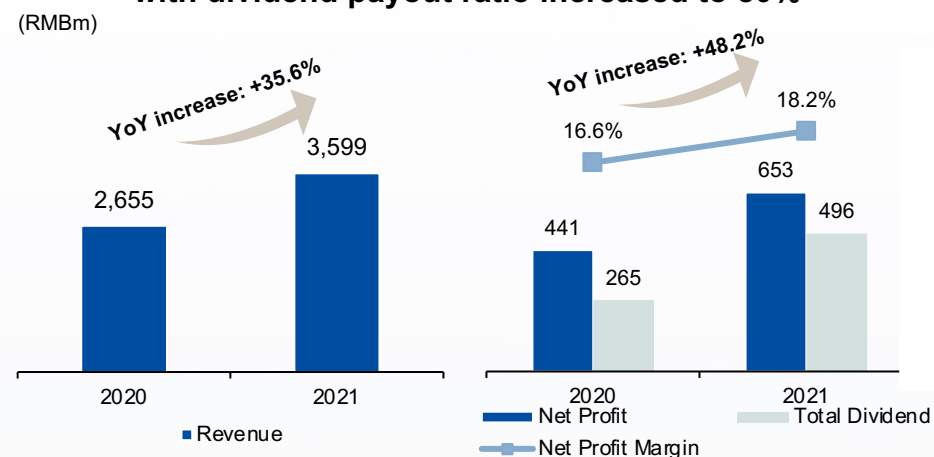
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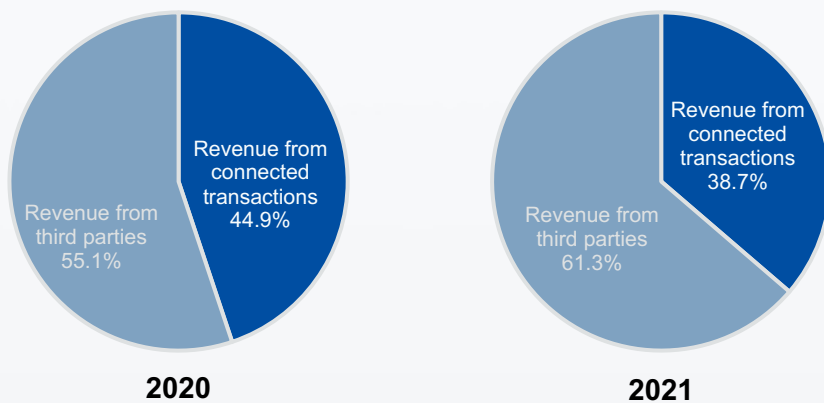
## 1. Improved revenue mix



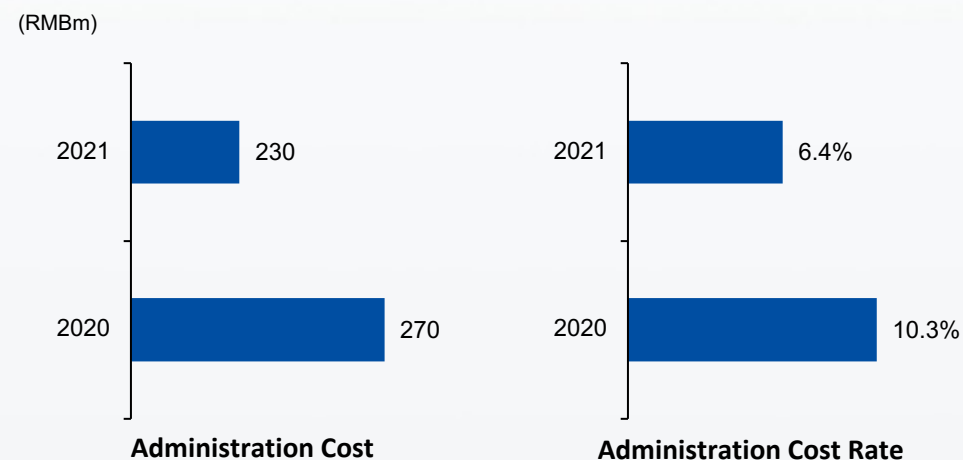
## 2. Steadily higher profit with dividend payout ratio increased to 80%



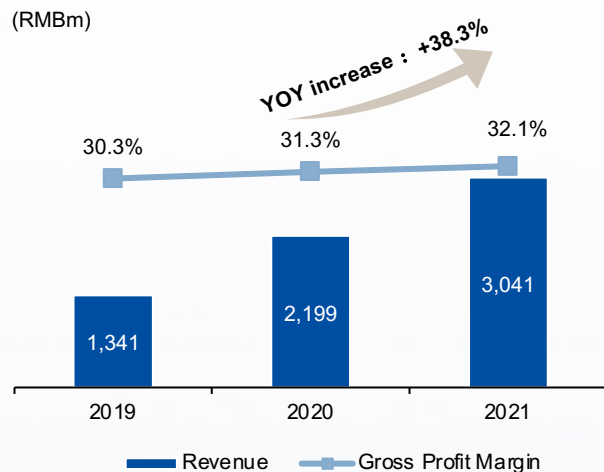
## 3. Lower proportion of connected transactions



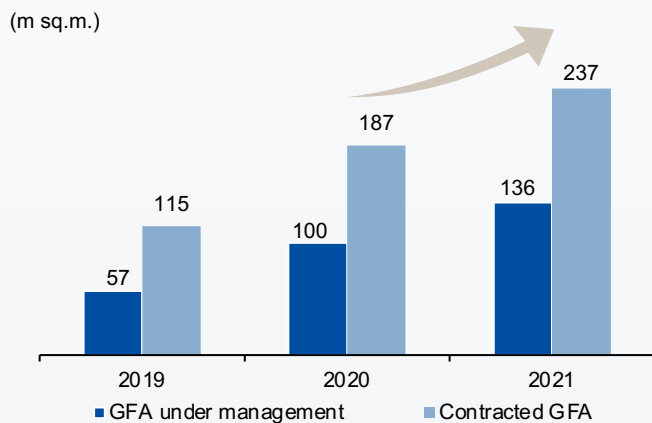
## 4. Lower administration cost rate



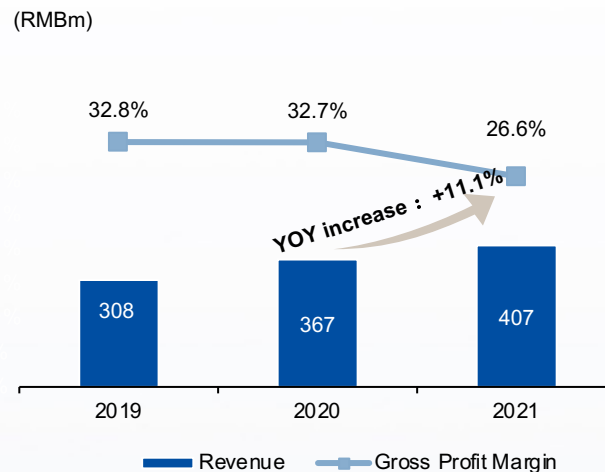
## Property management and value-added services



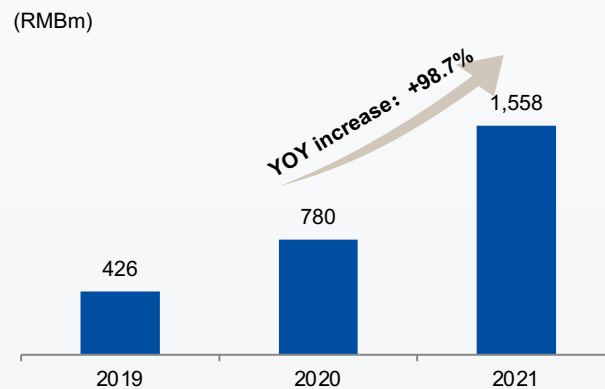
## Property management GFA



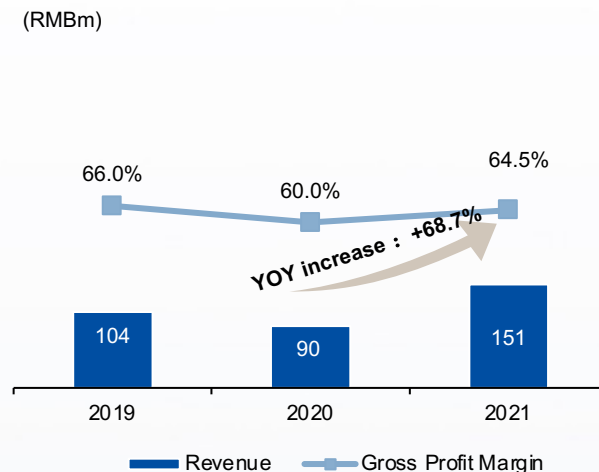
## Lifestyle services



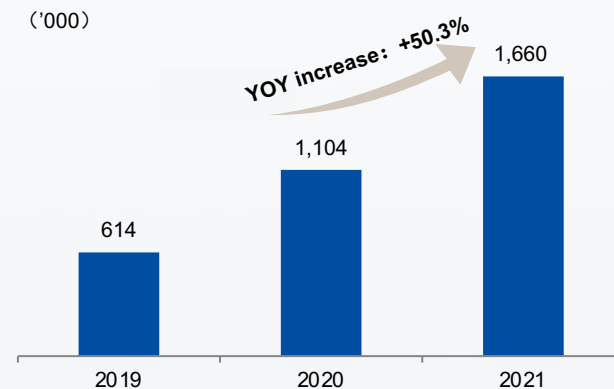
## Jianye+ GMV



## Commercial property management and consultation services



## Jianye+ MAU



# 3 Company Highlights



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## Platinum Housekeeper; ISO9001 certification



Platinum Housekeeper provides premium services to property owners



ISO9001 quality certification guarantees service quality



## Up to 89.3% customer satisfaction

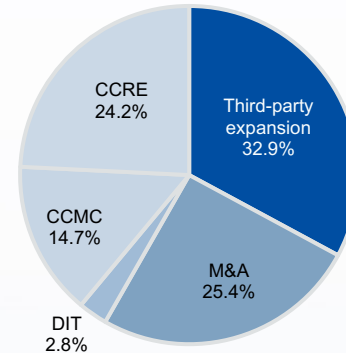


Property owners gave pennants to express gratitude for the company's fight against flood

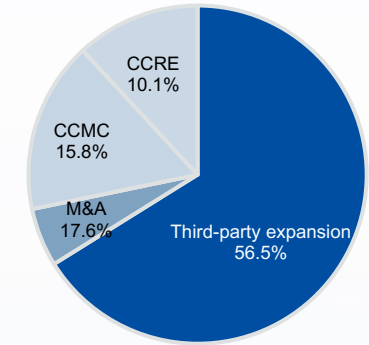


Property owners are organized to take nucleic acid test for pandemic prevention and control

## Strong brand awareness and third-party expansion



Composition of newly added contracted GFA in 2020

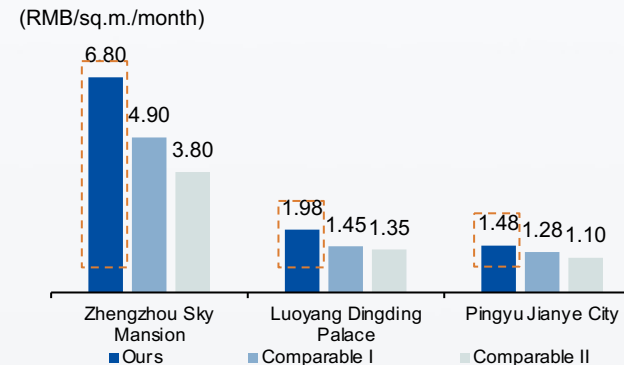


Composition of newly added contracted GFA in 2021

In 2021, there was **50.26m sq.m.** newly added contracted GFA, including **89.9%** from third-party expansion, CCMC and M&A.

## Management fees higher than surrounding comparable residential neighbourhoods

Property Management Fee Comparison with Surrounding Neighborhoods by City

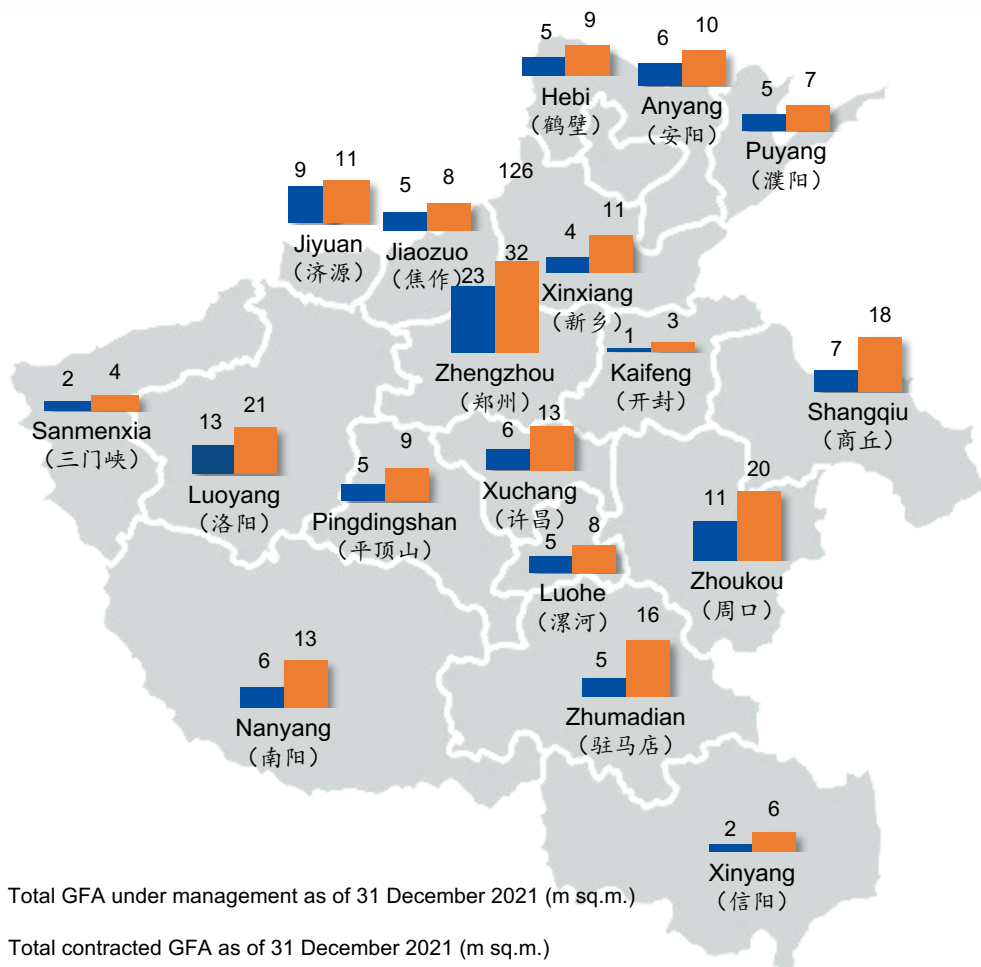


We have managed to increase the management fee by **50%-100%** in **22 projects** under management.



**6.79m sq.m.** Average GFA under management per city in Henan

**13.16m sq.m.** Average contracted GFA per city in Henan



## Intelligent and segmented management



Intelligent property management screen

## 7 intelligent management strategies

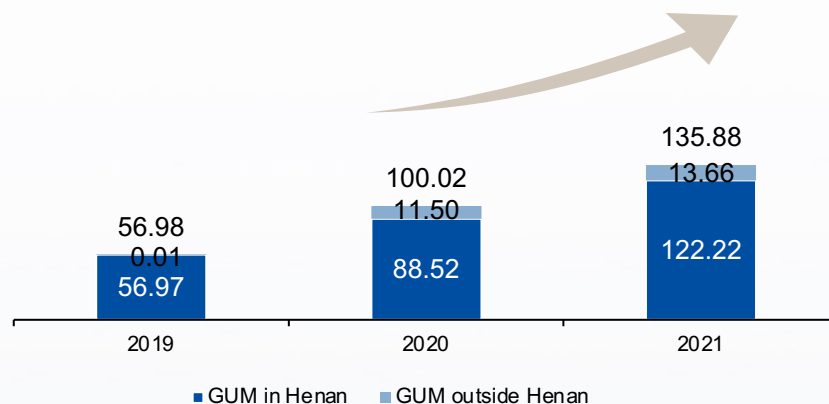
Standard / Online / Visual / Remote / Dynamic / Real-time / Intelligent





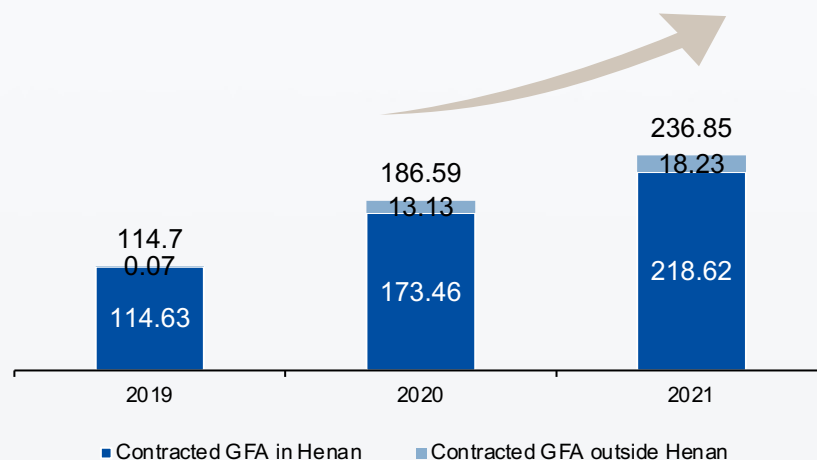
## High Growth in GFA

(m sq.m.)



- As of 31 December 2021, GFA under management of the company in Henan represents a market share of **5.8%**; and contracted GFA of the company in Henan represents a market share of **8.2%**

(m sq.m.)



- In 2021, CCNL had **35.33m sq.m.** of newly added residential contracted GFA. Given that the GFA sales in Henan in 2021 was 122.59 million sq.m., the newly added contracted GFA of the company represents a market share of **28.9%**

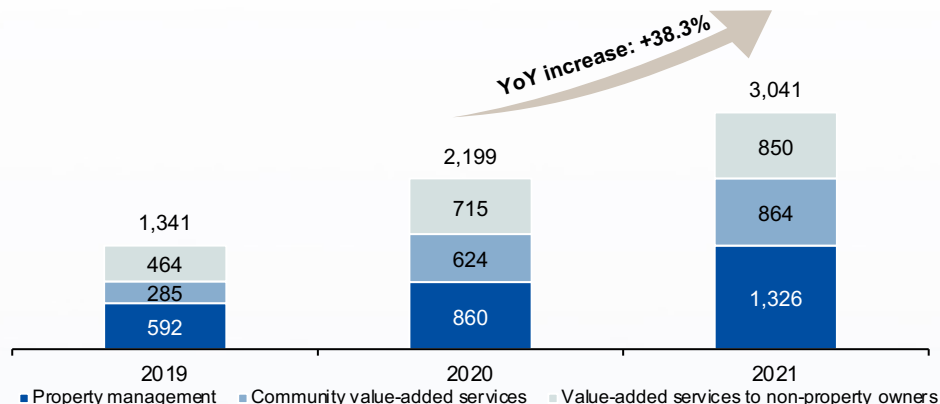
# 4 Business Performance



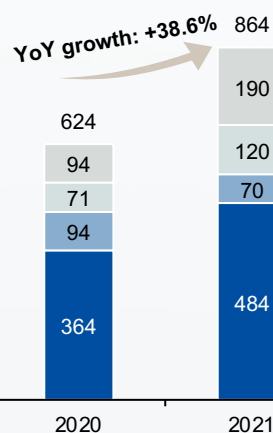
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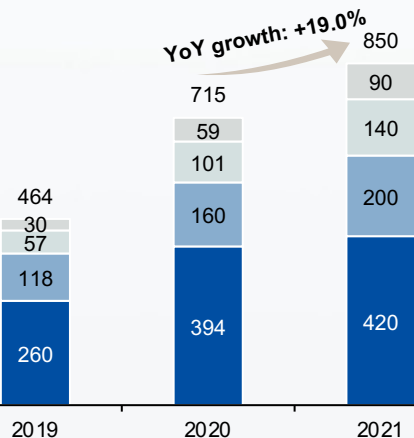
## Revenue of property management and value-added services (RMBm)



### Community value-added services (RMBm)



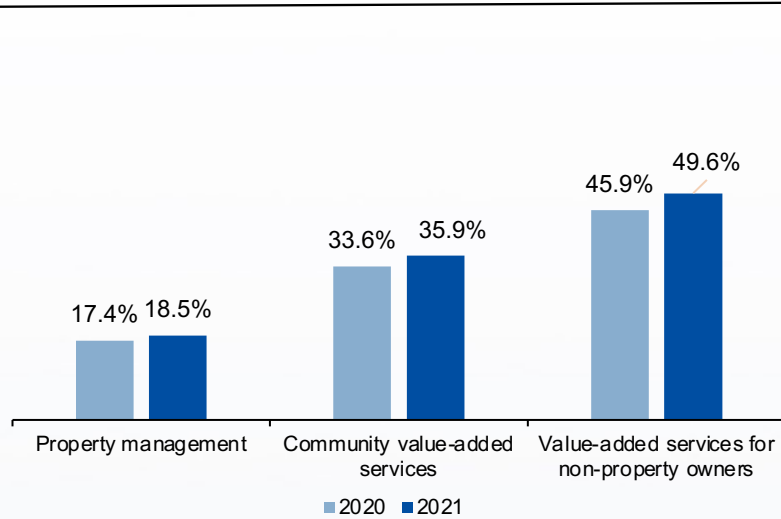
### Value-added services to non-property owners (RMBm)



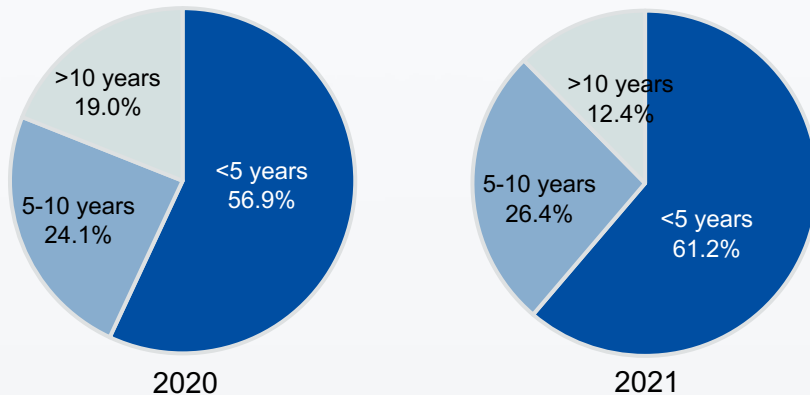
## Performance of property management services

- 2021 GFA under management: **136m sq.m.**, contracted GFA: **237m sq.m.**
-  **89.9%** Proportion of newly added contracted GFA from third-party expansion
-  **729** Projects under management
-  **1141** Contracted projects
-  **10.1%** Proportion of GFA under management outside Henan
-  **117** Number of projects under management outside Henan
- 2021 property management revenue RMB1.31 billion, **up 52.3% YoY**
-  **89.3%** FG China (赛惟咨询) Customer Satisfaction
-  **11<sup>th</sup>** Ranking in Top 100 Property Service Companies in China

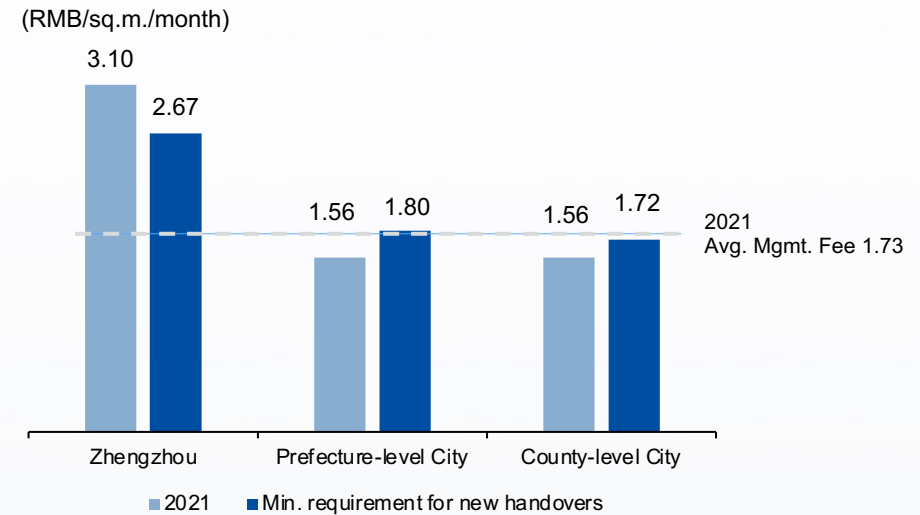
## GPM of Property Management and Value-added Services



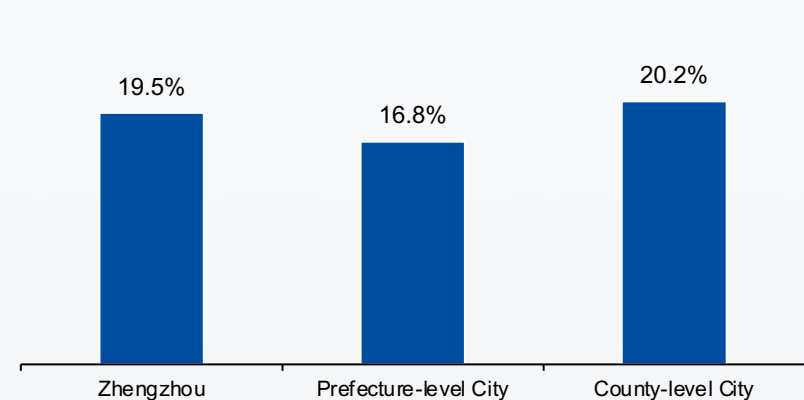
## Revenue Contribution of Communities under Management by Years since Handover



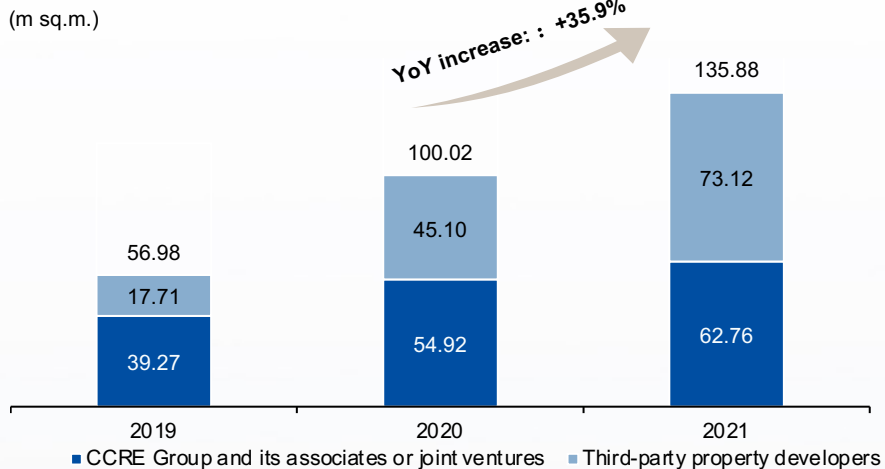
## Average Management Fee Rate by City/County



## Property Management GPM by City



## Total GFA Under Management



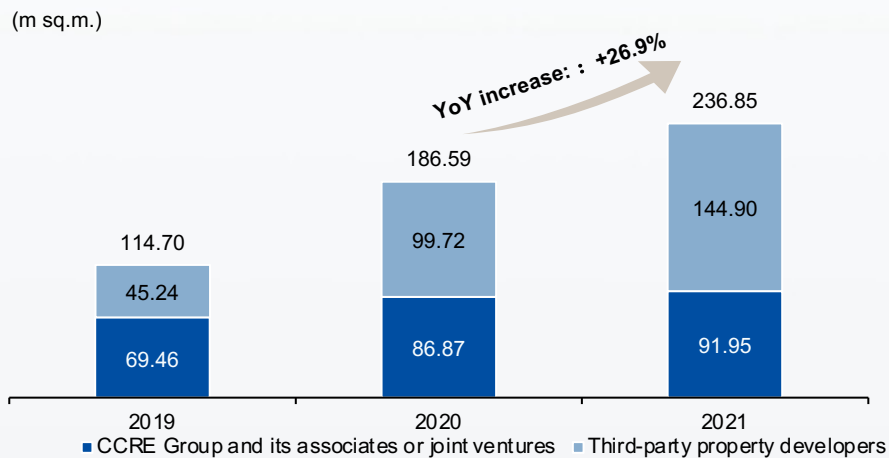
Awarded "Best Property Management Company" and "IPO Most Popular with Investors"



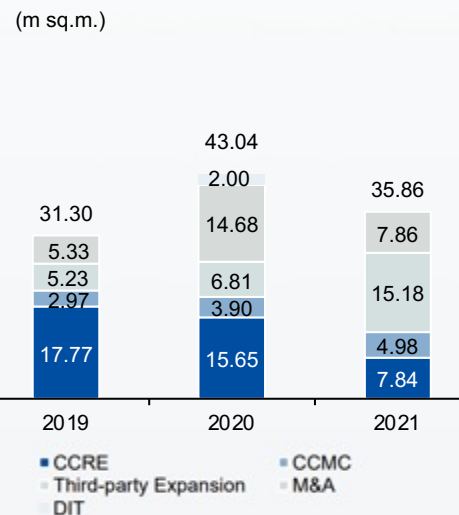
Employees were committed to their posts during the flood in Zhengzhou on 20 July

- Employees took action to ensure the safety of the life and properties of property owners during the July-20 Flood
- Strong brand awareness promoted the rapid growth of the company's third-party expansion

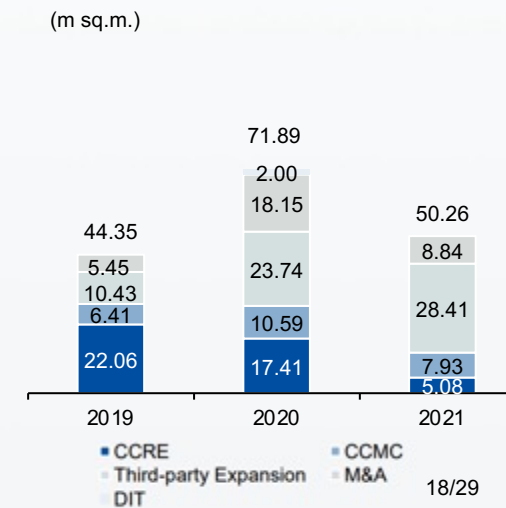
## Total Contracted GFA



## Newly Added GFA Under Management



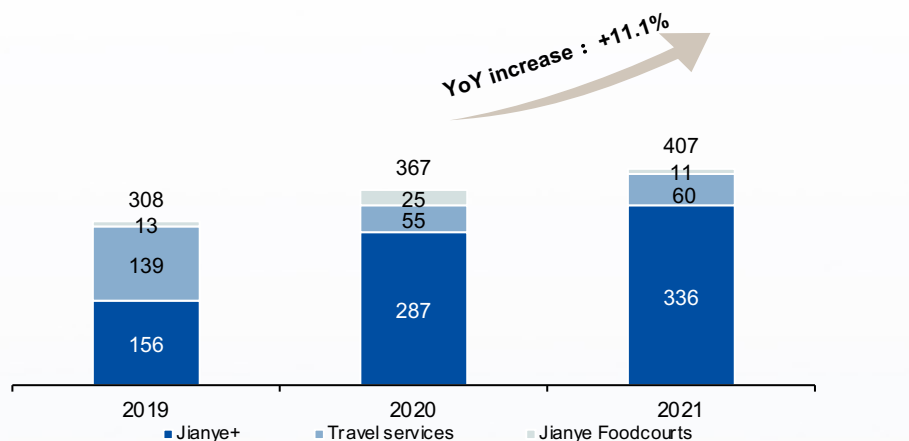
## Newly Added Contracted GFA





## 2 Lifestyle Services

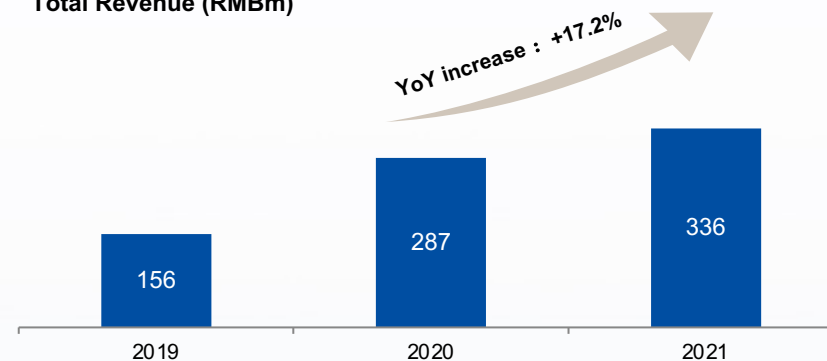
### Revenue from Lifestyle Services (RMBm)



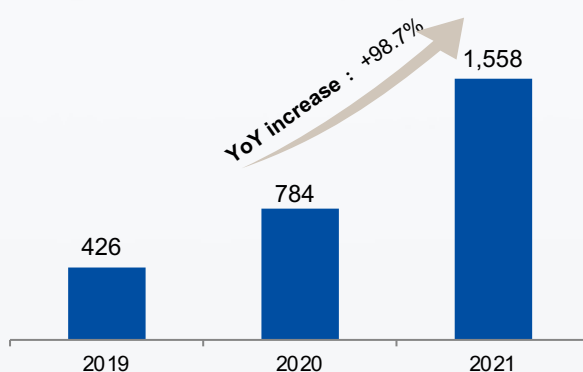
### ➤ Jianye+ platform



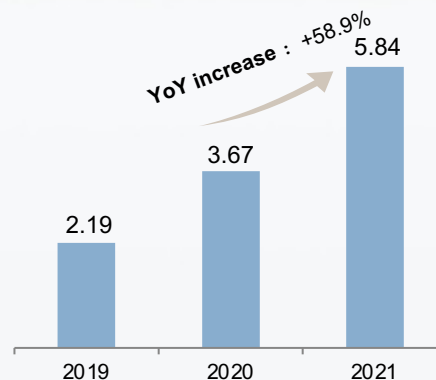
### Total Revenue (RMBm)



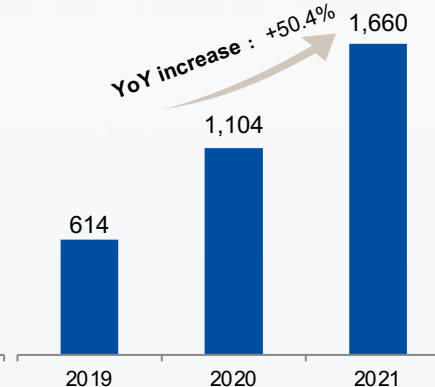
### GMV (RMBm)



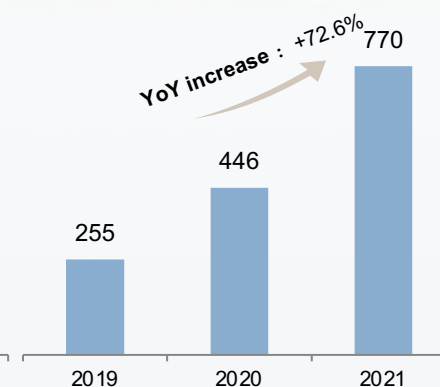
### Registered users (m)



### Monthly Active Users ('000)



### Members ('000)





**KEN CHI  
KUI**

**CAR  
LIFE**

**CONSUMER  
CANTEEN**

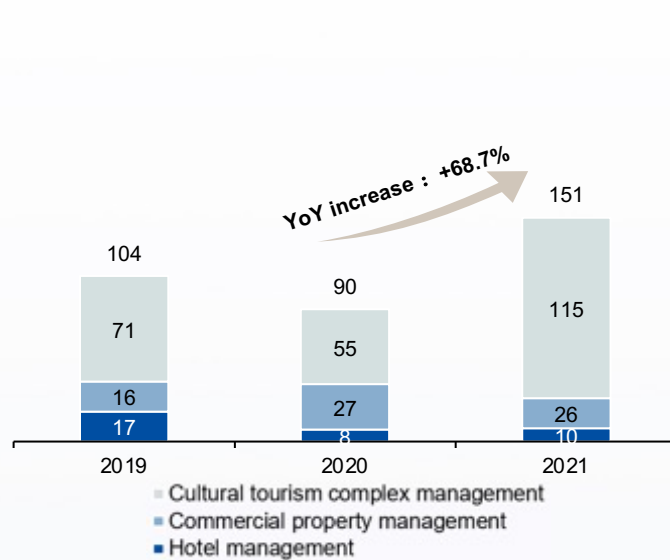
**NEW LIFE  
WATER**

**SKY  
CAFÉ**

### Community business

In 2021, relying on its user resources and community advantages, CCNL focused on new forms of consumption, new scenarios and new brands. Through creating community business projects such as “KCK Fresh Grocery” and “Car Life”, CCNL gradually outlines the local living business model of “Jianye+” that fits with the company’s future development.

## Revenue from Commercial Property and Consultation Services (RMBm)



**10** Hotels under management



**7** Shopping malls under management



**5** Cultural tourism complexes under management

## Maintaining stability while seeking progress, creating flagships for cultural tourism in Henan through refined management



**7** commercial projects under management with total sales of nearly RMB**1.5** billion in 2021.



**3** Green House complexes successfully operated, which hosted more than 10 million tourists.



Over **1.6** million guests hosted, with 10 hotels winning **29** industry awards in total.



“Unique Henan Land of Drama” hosted **500k** spectators while the performance has been watched by nearly **3** million people, winning the national award of “**2021 Integrated Cultural Tourism Innovative Project**”.

# 5 Outlook and Strategies



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Henan Province – the largest provincial economy in Central China<sup>(1)</sup>, where CCNL has been benefiting greatly from the huge and rapidly growing Henan market



- ❑ **3<sup>rd</sup> most populous province in China:** According to the 2020 Census data, Henan has a population of **100 million**
- ❑ **5<sup>th</sup> largest provincial economy in China in 2020:** Regional GDP of Henan Province was **RMB5.5 trillion** in 2020, representing approximately **5.4%** of China's GDP, with a CAGR of **8.2%** from 2015 to 2020, above the national average of 8.1%
- ❑ **Disposable Income Per Capita:** Disposable Income Per Capita of Henan Province was **RMB24,810** in 2020, with a CAGR of **7.7%** from 2015 to 2020
- ❑ **Urbanization Rate:** According to the 2020 Census data, the urbanization rate of Henan Province is **55.4%**, which is **8.5 percentage points** lower than the national average, and will grow at a fast pace during the 14th Five-Year Plan and exceed 60% within five years<sup>(2)</sup>
- ❑ **5<sup>th</sup> largest provincial property management market in China:** The total GFA under management in Henan as of December 31, 2020 was **1.7b sq.m.**, accounting for **6.7%** of the GFA under management of China<sup>(3)</sup>
- ❑ In 2020, the total GFA of commercial properties commenced, completed and sold in Henan Province was **141.1m sq.m.**, **54.1m sq.m.** and **141.0m sq.m.** respectively, accounting for **6.3%**, **5.9%** and **8.0%** of the total in China respectively

(1) Including Henan, Hubei, Hunan, Jiangxi, Shanxi and Anhui

(2) Based on the 14<sup>th</sup> Five-Year Plan for Nation Economic and Social Development of Henan Province and the Draft Outline of Visionary Goals for 2035 prepared by Henan Province Government

(3) Based on the statistics from China Index Academy




## Central China in Henan


Founded in **1992**, Central China Group is a diversified group, with 4 companies listed on the Main Board of HKEX: **Central China Real Estate (832.HK)**, **Central China New Life (9983.HK)**, **Central China Management Company (9982.HK)** and **DIT (726.HK)**. It has built a large ecological service system integrating real estate, property management, intelligent manufacturing, technology, cultural tourism, commerce, hotel, agriculture, Central China Consumers Club, education, football, and tourism.


By the end of December 2019, both the assets and sales of Central China Group exceeded RMB100 billion and **covered all 120 counties and cities in Henan**.

By the end of 2021, Central China Group had annual sales of RMB130.98 billion and annual tax payments of RMB7.14 billion.

 Central China Real Estate has been focusing on Henan for nearly 30 years and ranked **No. 1** in the "Top 10 Real Estate Companies in Brand Value in Central China" for 14 consecutive years, boasting of high brand awareness

 Central China New Life serves **1.8 million property owners** with a customer satisfaction rate of **90%**, ranking **11<sup>th</sup>** in the Top 100 Property Service Companies in China.

 The brand of Central China has market premium. The average sales price per square meter of CCRE's heavy assets in 2021 is RMB7,360, which is 13% higher than the average of RMB6,521 in Henan Province.

 Central China Cultural Tourism has created cultural tourism IPs such as Unique Henan and Movie Town, which have attracted nearly **4 million** visitors since the launch



# A Temporally, Spatially and Functionally Holistic Service System



■ TO C

**Property management and lifestyle services:** community business, housekeeping, move-in furnishing, group meals, community media, insurance brokerage, real estate agency, parking, EV charging, community services for children and the elderly



■ TO B

**Asset-light model extension:** renovation of old urban areas, renovation and operating management of supporting facilities, and rental services; setting industry standards and building showcasing base and industry alliance



■ TO G

**Property management plus city services:** “Red property” management, neighborhood grassroot service management, neighborhood government service platform, and offline government services such as “Errand Running” and “Service Relay”

## Main Advantages

- ❑ **High concentration in regional market:** the target has businesses distributed in Zhengzhou and Henan prefecture-level cities, which are very focused and also close to CCNL's own projects, facilitating consolidated management and reducing operating costs.
  - ❑ **Advantage of scale:** the target has 4.007m sq.m. of GFA under management, which will help increase the market share of CCNL in Henan and especially in Zhengzhou.
  - ❑ **Good foundation for cooperation:** the target and CCNL have a solid foundation for cooperation, including in real estate, investment and other fields.
  - ❑ **Business synergy:** the target's pension and healthcare-related businesses, such as Chinese medicine and wine-selling, offer the potential of in-depth cooperation with our property management companies.
- ❑ Henan Tianming Property Management Co Ltd was acquired by CCNL on 30 November 2021. Its projects under management are mainly located in Zhengzhou, Henan. As of 30 June 2021, it had **23** projects and **4.007m sq.m.** of GFA under management, including 15 residential projects of **3.125m sq.m.**, commercial and office area of 49k sq.m. and public construction and other business forms of **832k sq.m.**. It managed **26k** households.





# Appendix II: Nanyang Weigang (Expansion)

- Central China Property Management Western Division Nanyang Weigang Sector is a living area for Henan Oilfield workers, consisting of 30 residential communities, which is an **expansion project** of Central China Property Management
- The Area has both GFA under management and contracted GFA 2.2m sq.m.** with more than 25k households. In 2019, in accordance with the requirements of the State Council on the transformation of state-owned enterprises, Henan Oilfield handed over the property management services of the workers' living area to Central China Property Management in a market-based manner



	Before our management	Under our management
Service staff	1,100	530
Management fee rate	RMB10/month /household	RMB1.49/month /sq.m.
Total revenue	RMB3 million /year	RMB20.6 million /year
Collection rate	N/A	>92%



Communities under our professional management

# Q&A



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