



**建业新生活**  
CENTRAL CHINA NEW LIFE

香港股票代码  
9983.HK

# 2022 INTERIM RESULTS INVESTOR PRESENTATION

CENTRAL CHINA NEW LIFE LIMITED (9983.HK)

23<sup>TH</sup> AUGUST 2022



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# Outline

1. **Company Overview**
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 **2.4 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.

# Company Overview

A comprehensive service provider deeply rooted in Central China

## Our Mission: Enrich the living experience and lifestyle of all the people in Central China

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 our company covers - **where to stay, where to travel, what to eat and how to recreate**

**1**

Property management and value-added services	1H2021	1H2022
Revenue (RMBm)	1,286	1,395
Revenue contribution	82.2%	89.1%
Gross profit margin	29.7%	29.6%
1H2022 YoY revenue growth		8.5%

- ❑ **Property management**
  - Total GFA under management: approx. **142** million sq.m.
  - Total Contracted GFA: approx. **255** million sq.m.
- ❑ **Value-added services**
  - Community value-added services
  - Value-added services to non-property owners

**2**

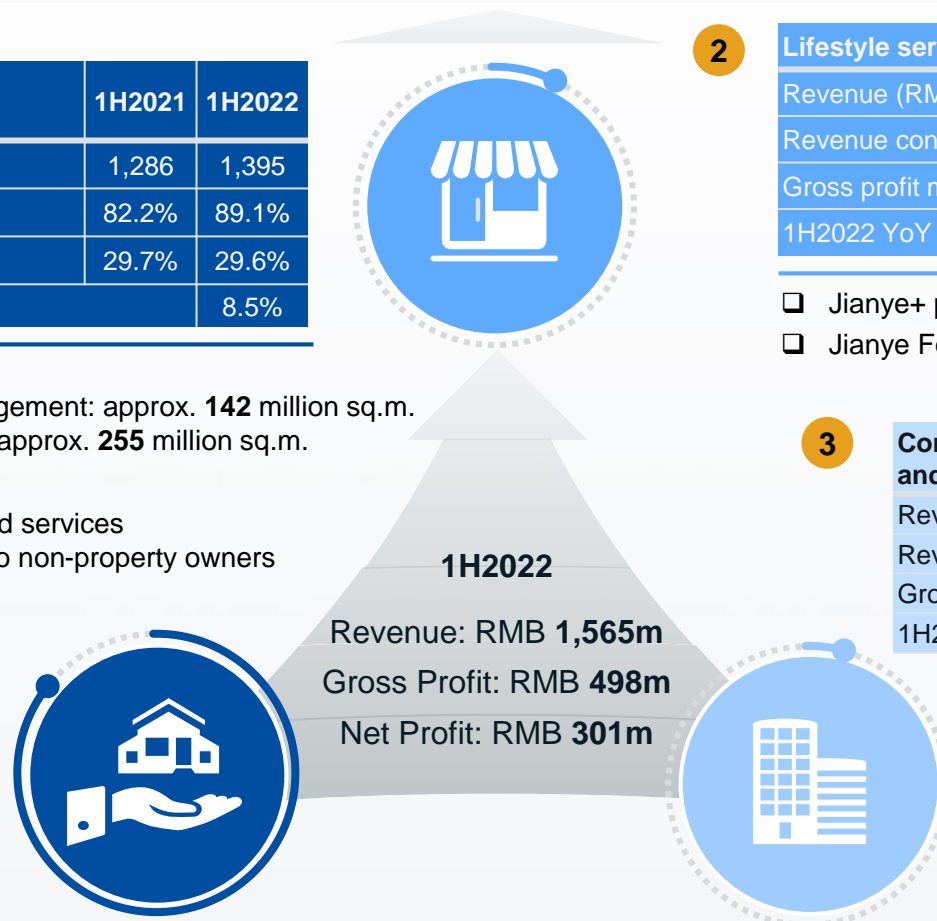
Lifestyle services	1H2021	1H2022
Revenue (RMBm)	206	106
Revenue contribution	13.2%	6.8%
Gross profit margin	34.4%	31.4%
1H2022 YoY revenue growth		-48.7%

- ❑ Jianye+ platform (approx. **6.89m** registered users)
- ❑ Jianye Foodcourts (currently **5** in operation)

**3**

Commercial property management and consultation services	1H2021	1H2022
Revenue (RMBm)	72	65
Revenue contribution	4.6%	4.1%
Gross profit margin	68.1%	74.4%
1H2022 YoY revenue growth		-9.9%

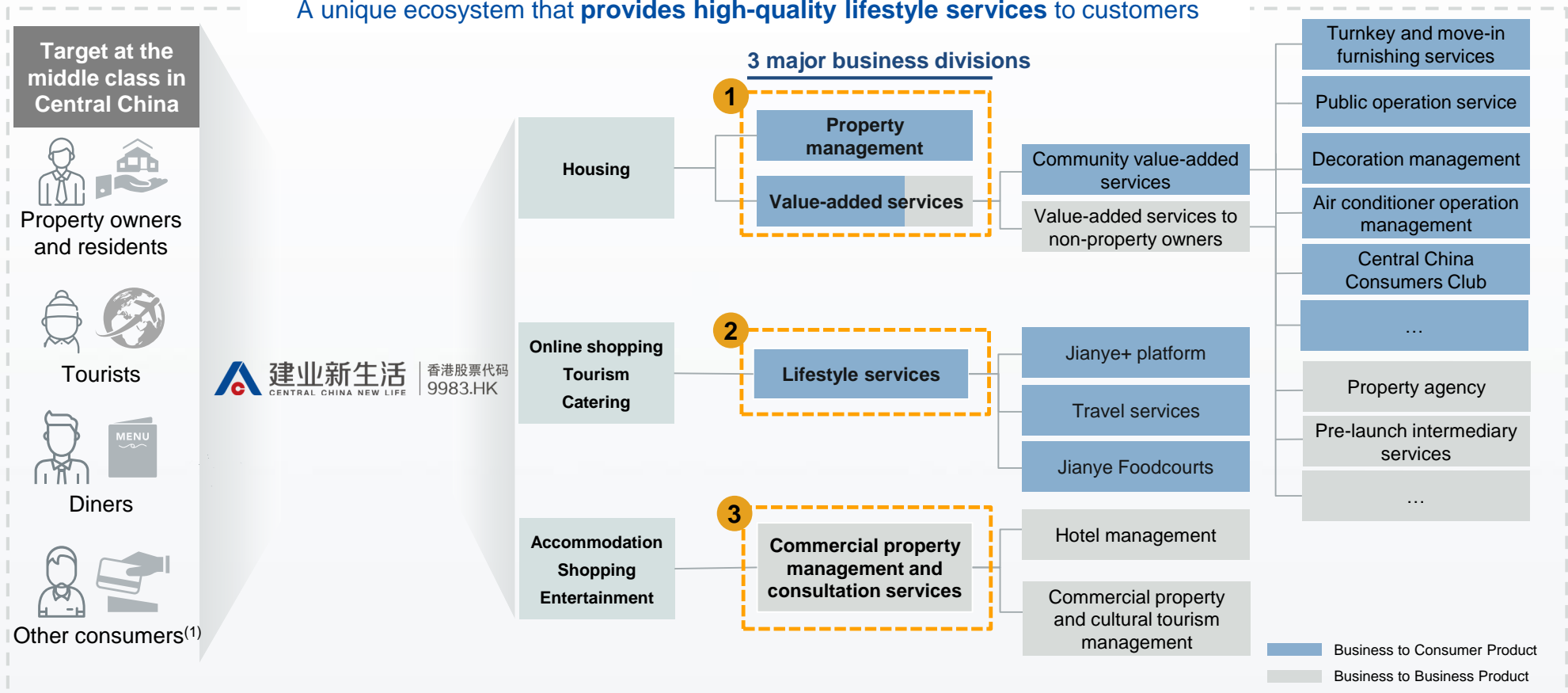
- ❑ Hotel management (**10** hotels)
- ❑ Commercial property management and consultation services (**1** shopping malls)
- ❑ Cultural tourism complex management (**5** cultural tourism complexes)



## 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

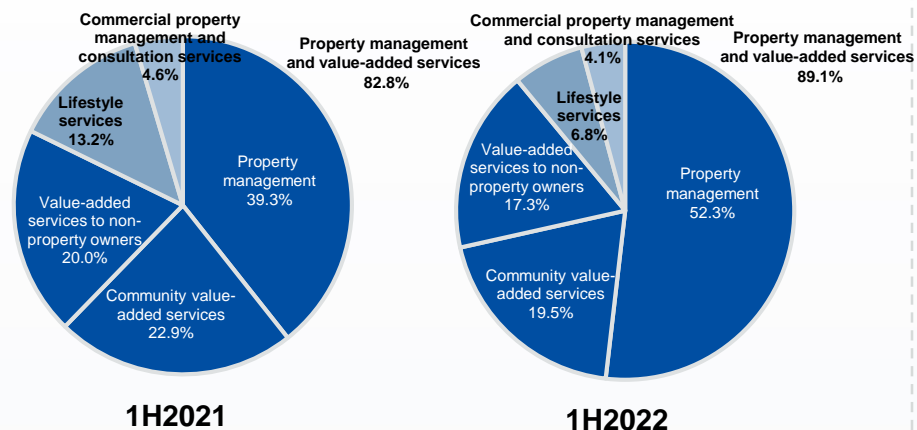


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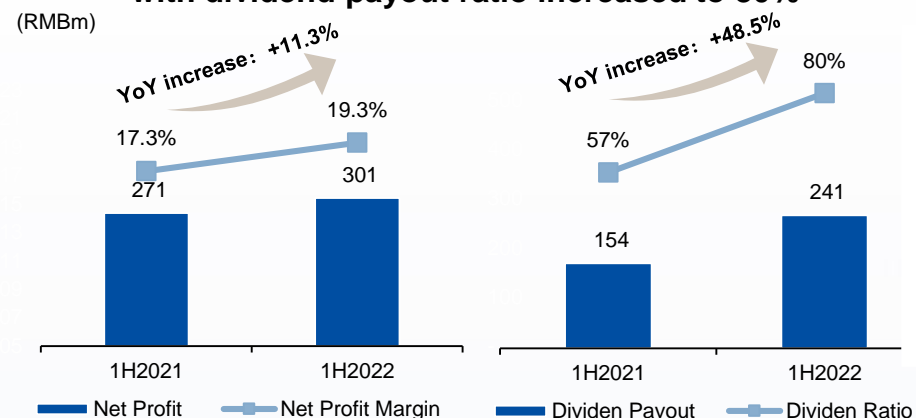
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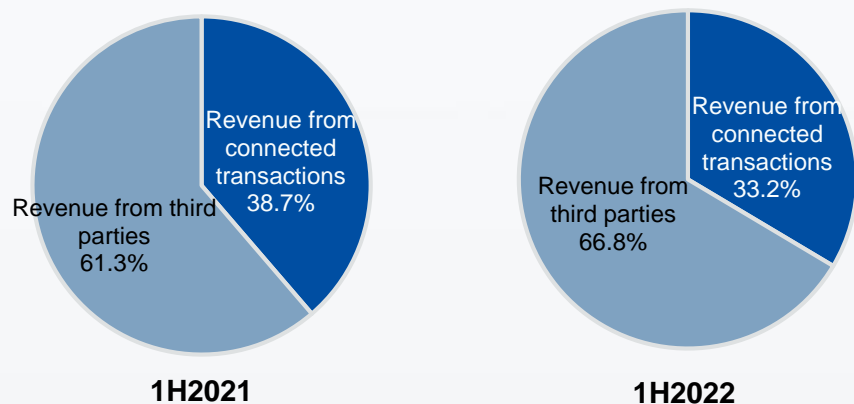
## 1. Improved revenue mix



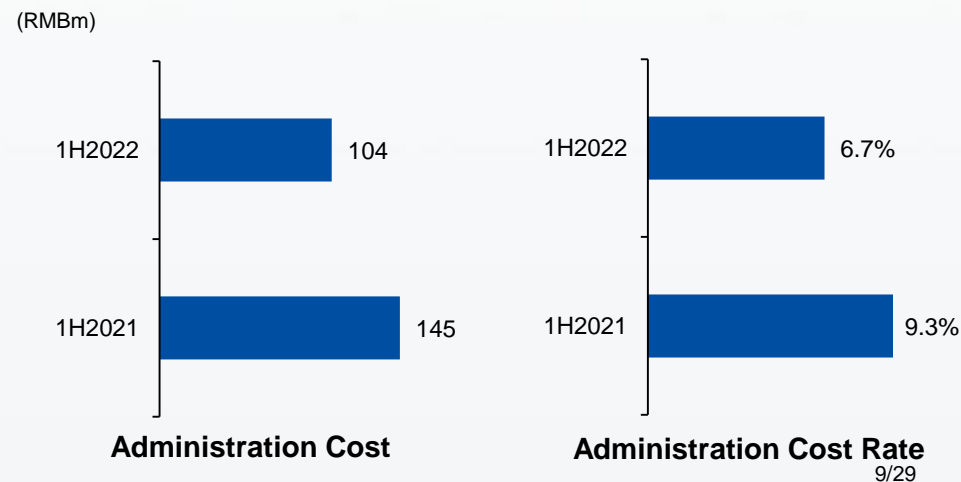
## 2. Profit grew steadily with dividend payout ratio increased to 80%



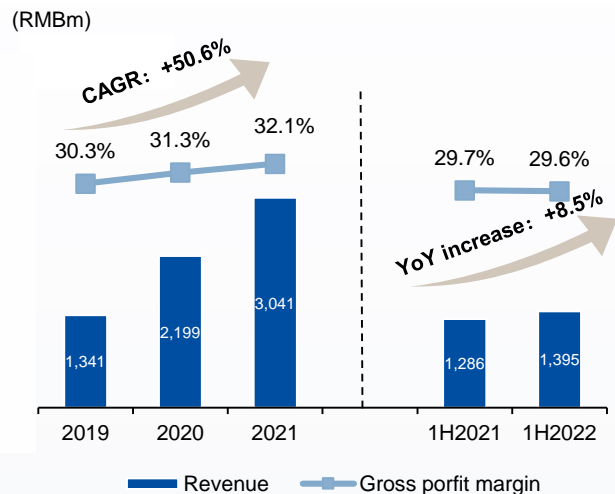
## 3. Lower proportion of connected transactions



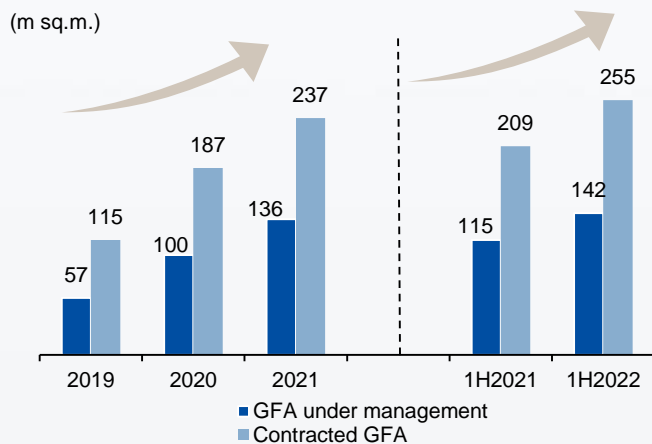
## 4. Lower administration cost rate



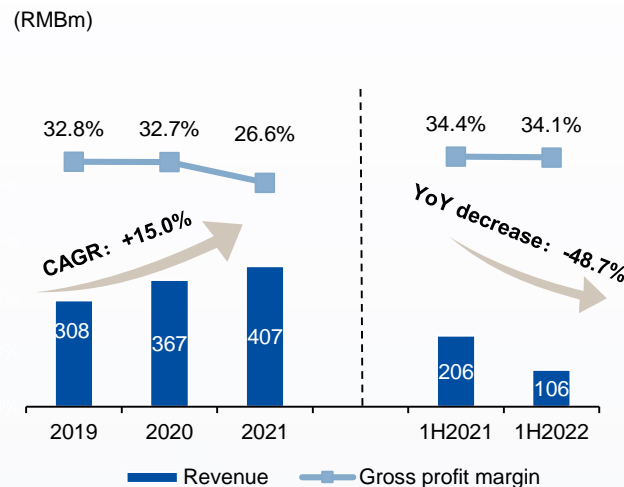
## Property management and value-added services



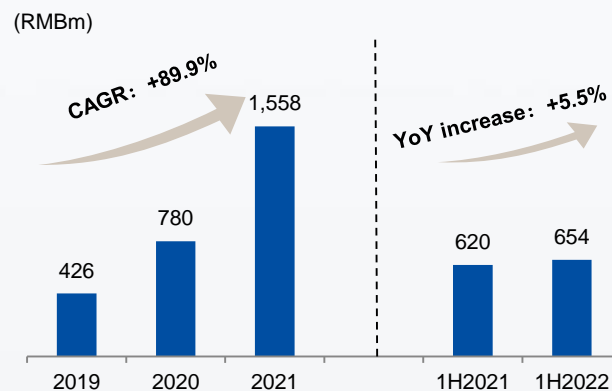
### Property management GFA



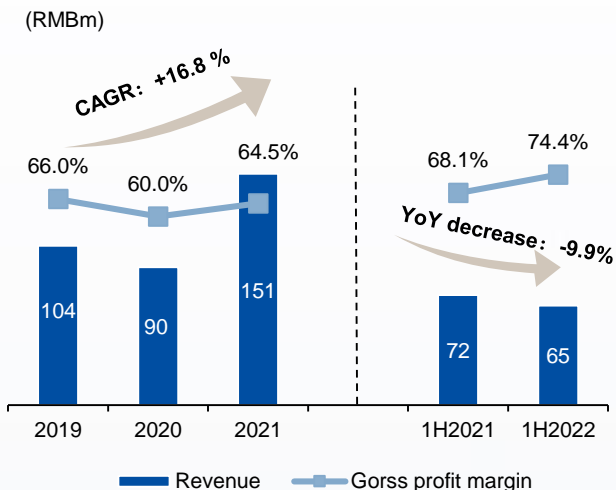
## Lifestyle services



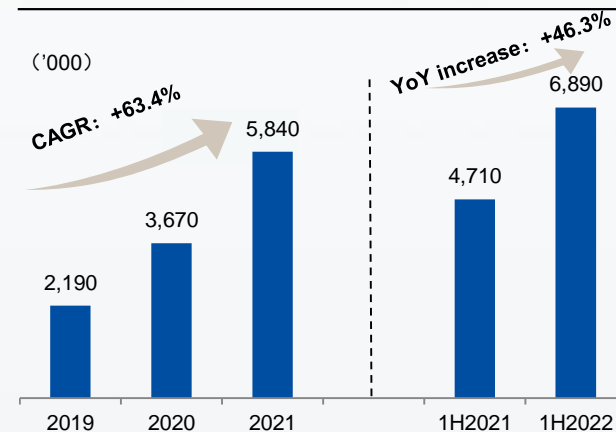
### Jianye+ GMV



## Commercial property management and consultation services



### Jianye+ User



# 3 Company Highlights



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- Platinum Housekeeper;
- “11th in the Top 100 Property Service Companies in China”



Platinum Housekeeper provides premium services to property owners



Ranking 11th in the Top 100 Property Service Companies in China



- Managed over 8.3 million projects
- Served over 2.4 million owners

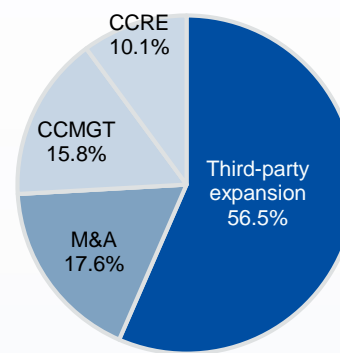


Flood control rehearsals

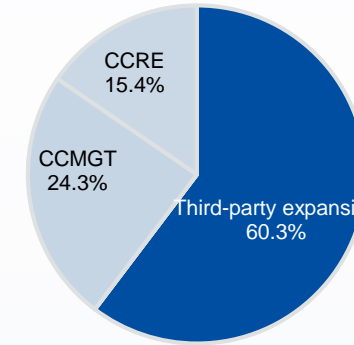


Offered free delivery services

- Strong brand awareness and third-party expansion



Composition of newly added contracted GFA in 1H2021

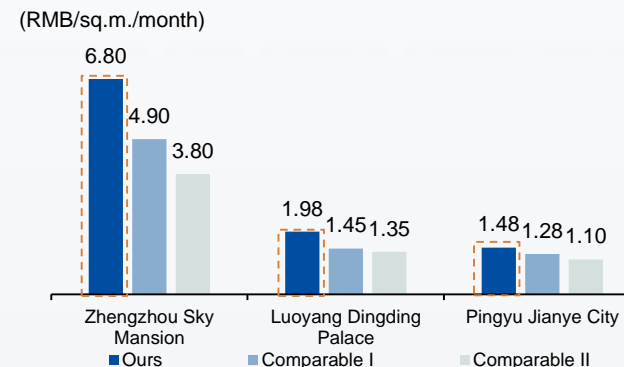


Composition of newly added contracted GFA in 1H2022

In 1H2022, there were **17.89m sq.m.** newly added contracted GFA, including **84.6%** from third-party expansion, CCMGT and M&A.

- Management fees higher than surrounding comparable residential neighbourhoods

Property Management Fee Comparison with Surrounding Neighborhoods by City



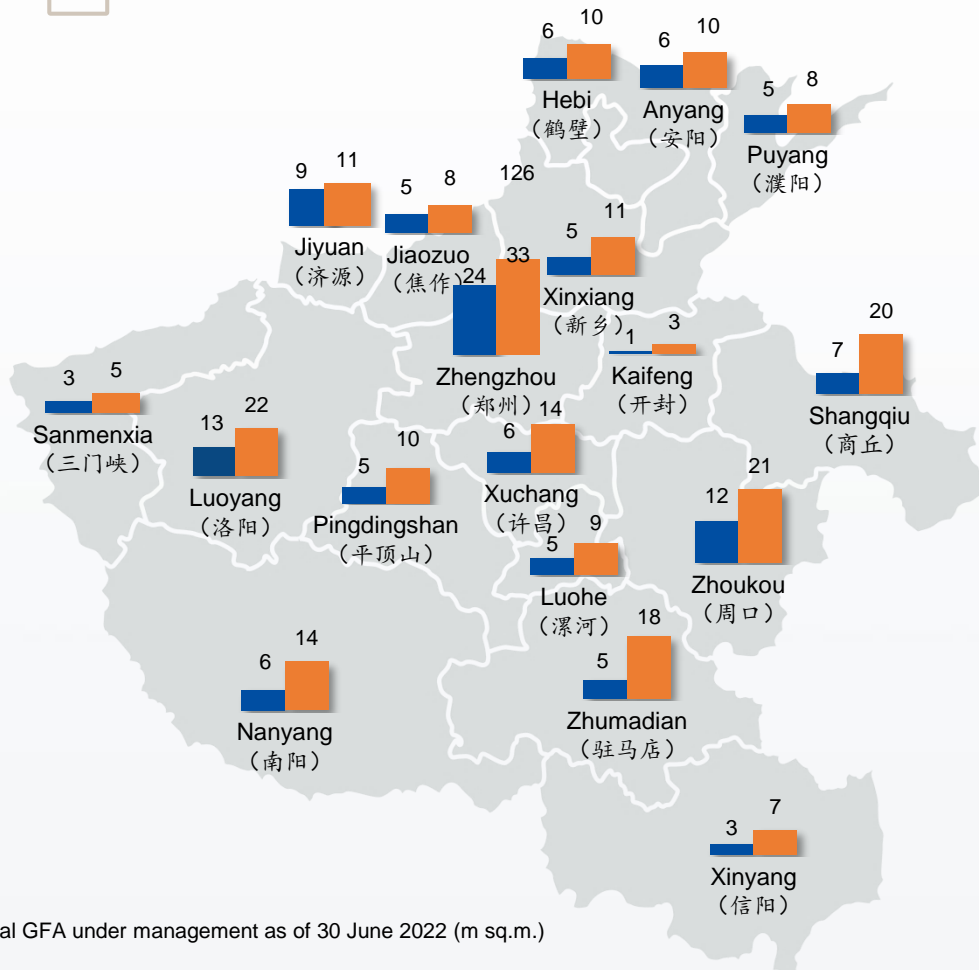
We managed to increase the management fee by **50%-100%** in **22 projects** under management.

# High Density



**7.11m sq.m.** Average GFA under management per city in Henan

**12.83m sq.m.** Average contracted GFA per city in Henan



■ Total GFA under management as of 30 June 2022 (m sq.m.)

■ Total contracted GFA as of 30 June 2022 (m sq.m.)

## Intelligent and segmented management



Intelligent property management screen

## 7 intelligent management strategies

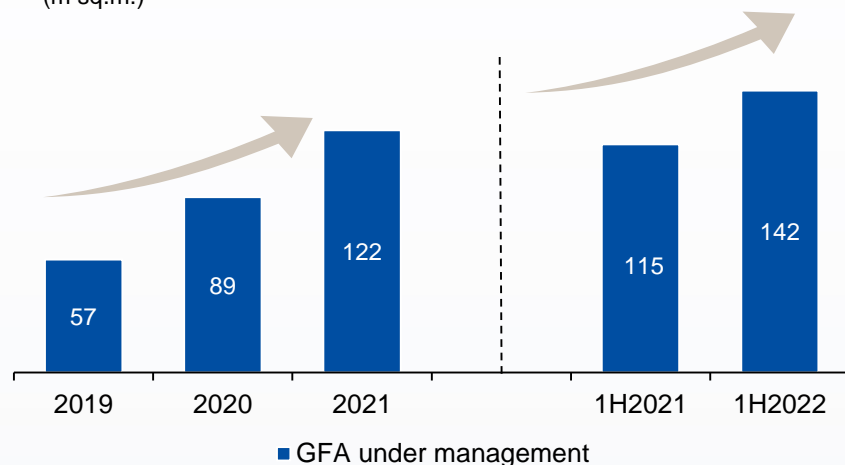
Standard / Online / Visual / Remote / Dynamic / Real-time / Intelligent





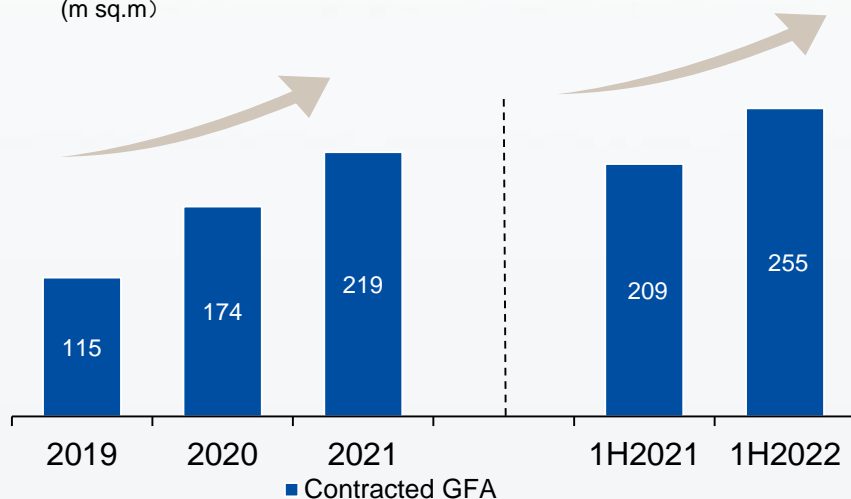
## High Growth in GFA

(m sq.m.)



- As of 30 June 2022, GFA under management of the company in Henan represents a market share of **6.0%**; and contracted GFA of the company in Henan represents a market share of **8.4%**

(m sq.m.)



- In 1H2022, CCNL had **10.36m sq.m.** of newly added residential contracted GFA. Given that the GFA sales in Henan in 1H2022 was 52.30 million sq.m., the newly added contracted GFA of the company represents a market share of **19.8%**

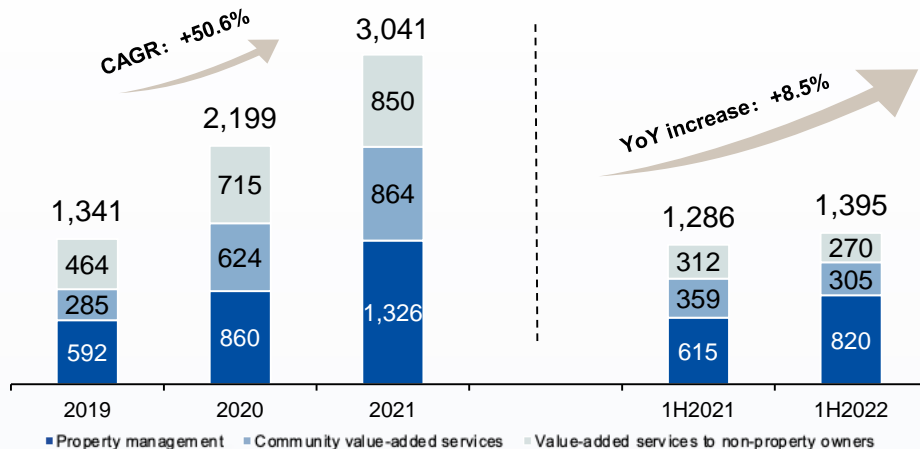
# 4 Business Performance



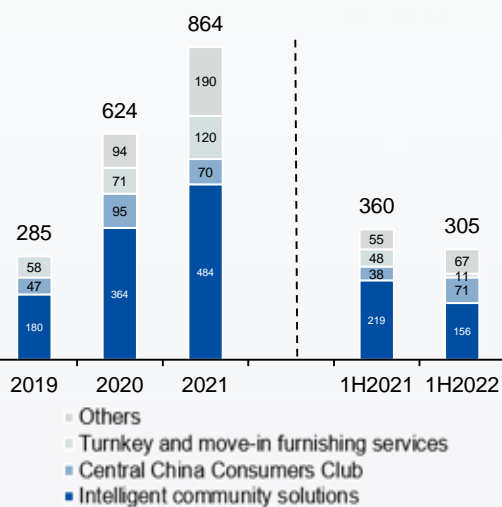
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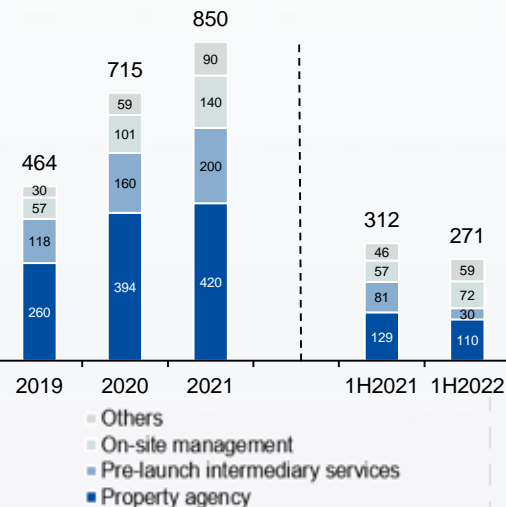
## Revenue of property management and value-added services (RMBm)



## Community value-added services (RMBm)



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



## Performance of property management services

1H2022 GFA under management: **142m sq.m.**, contracted GFA: **255m sq.m.**



**84.6%**

Proportion of newly added contracted GFA from third-party expansion



**803**

Projects under management



**1,251**

Contracted projects

1H2022 property management revenue RMB0.8 billion, **up 33.2% YoY**



**2,591**

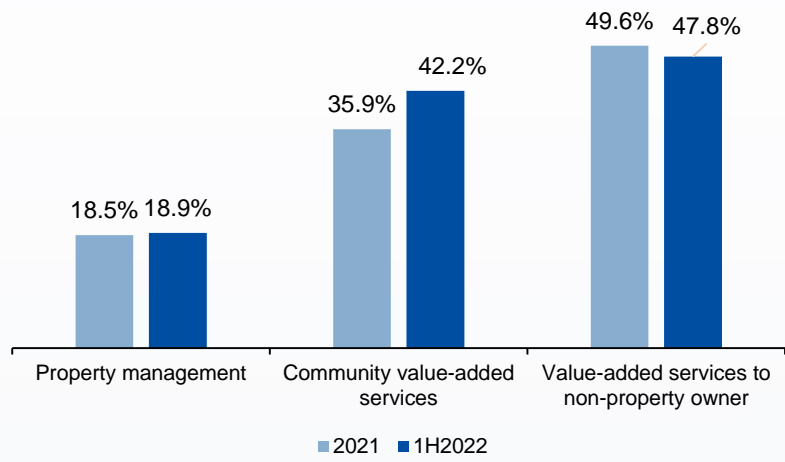
Community activities



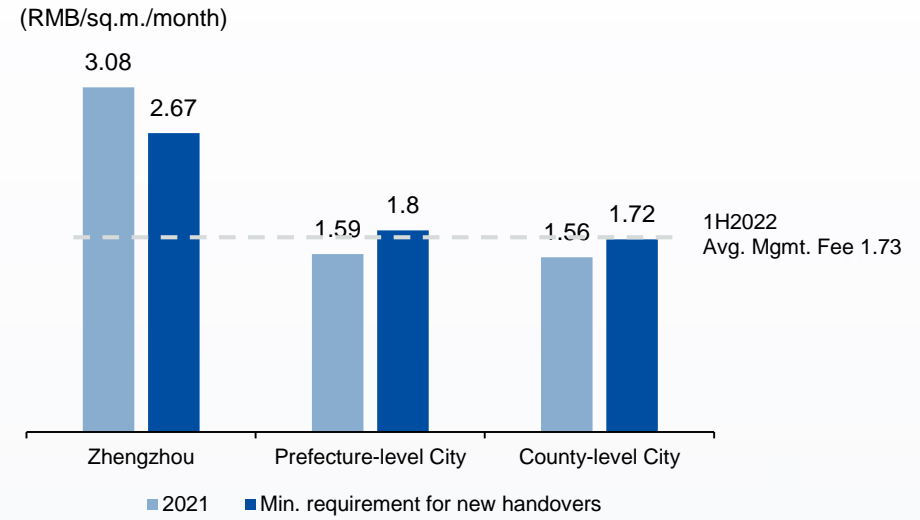
**11<sup>th</sup>**

Ranking in Top 100 Property Service Companies in China

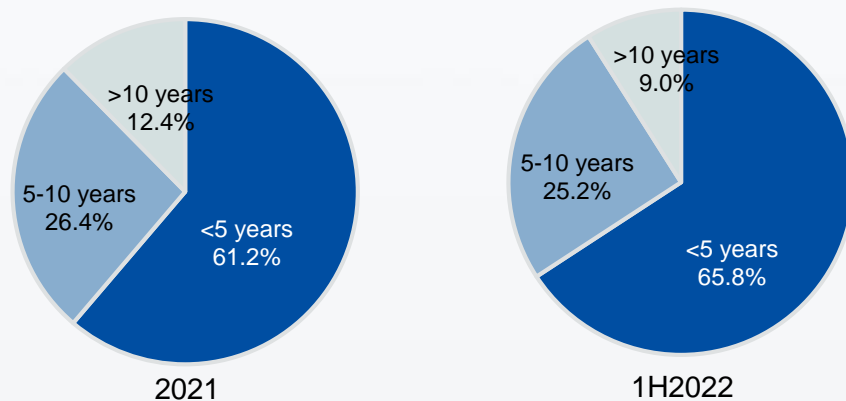
## GPM of Property Management and Value-added Services



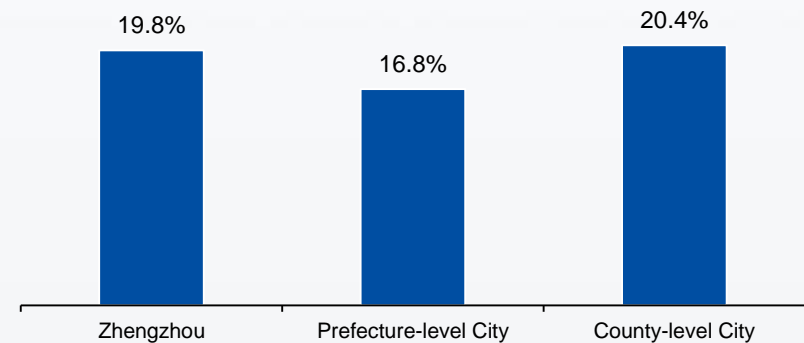
## Average Management Fee by City/County



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

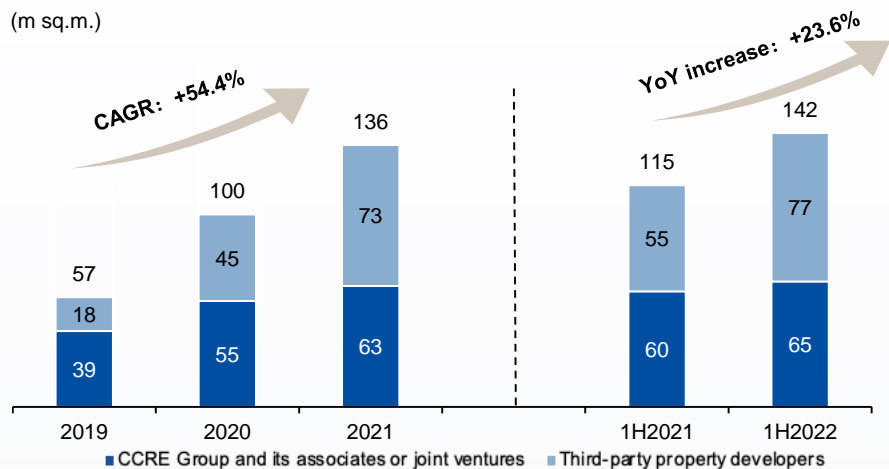


## Property Management GPM by City



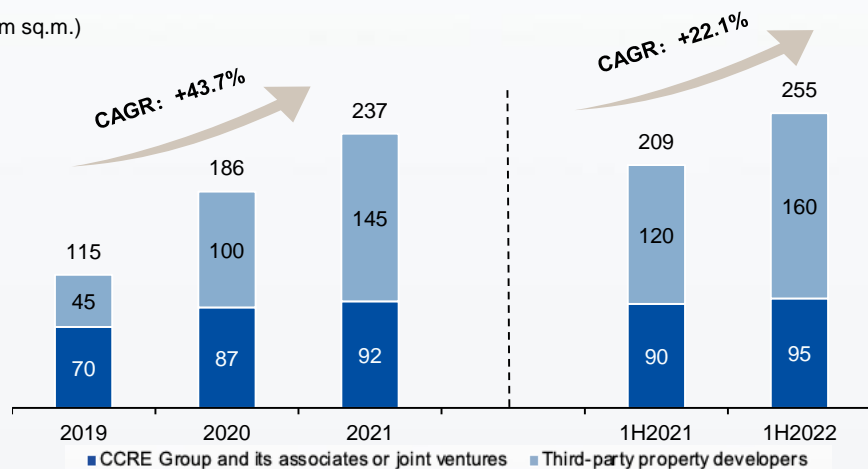
## Total GFA Under Management

(m sq.m.)



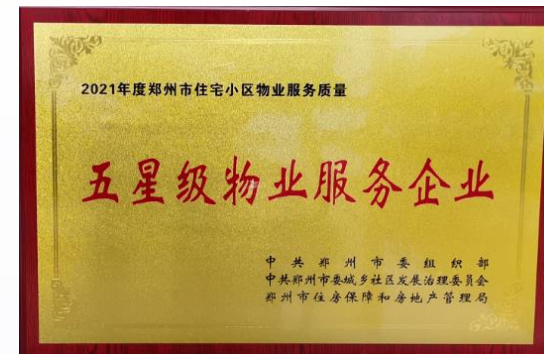
## Total Contracted GFA

(m sq.m.)



Awarded the "2022 China Property Service Listed Companies Comprehensive Strength TOP10" & "2022 China Listed Property Service Investment Value Outstanding Enterprise"

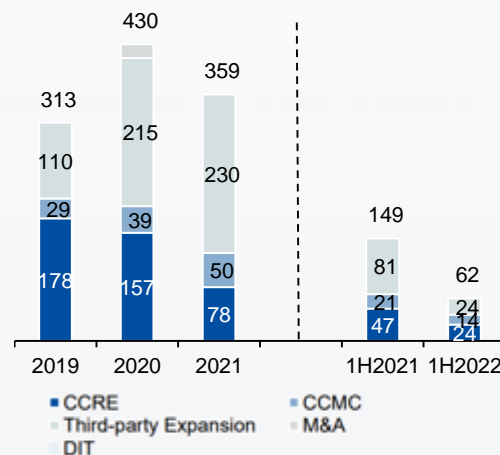
Strong brand awareness promoted the rapid growth of the company's third-party expansion



Awarded the "Five-star Property Service Enterprise" of Zhengzhou in 2021

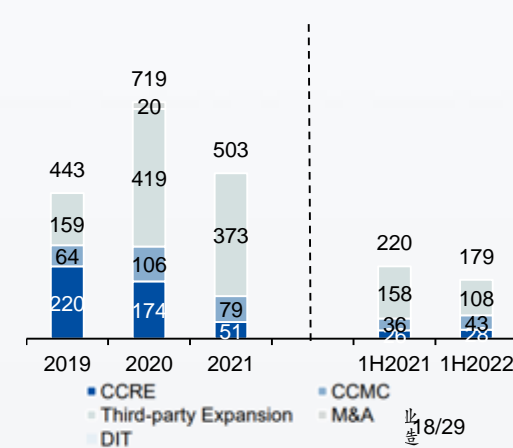
## Newly Added GFA Under Management

(m sq.m.)



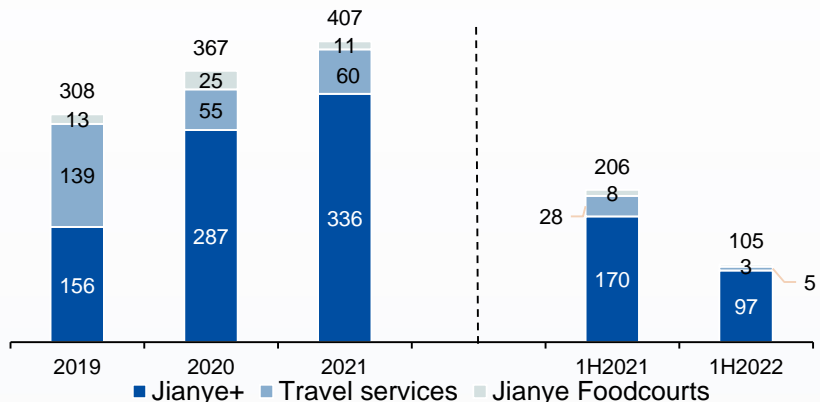
## Newly Added Contracted GFA

(m sq.m.)

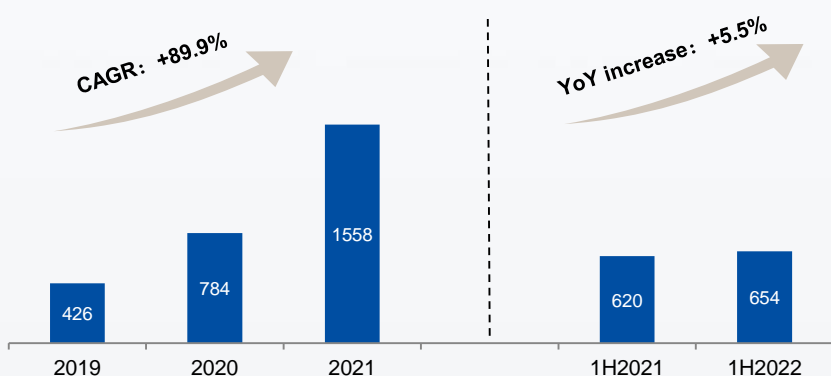




Revenue from Lifestyle Services (RMBm)



GMV (RMBm)



## “Jianye+” activities



### Jianye+ “618 Promotion”

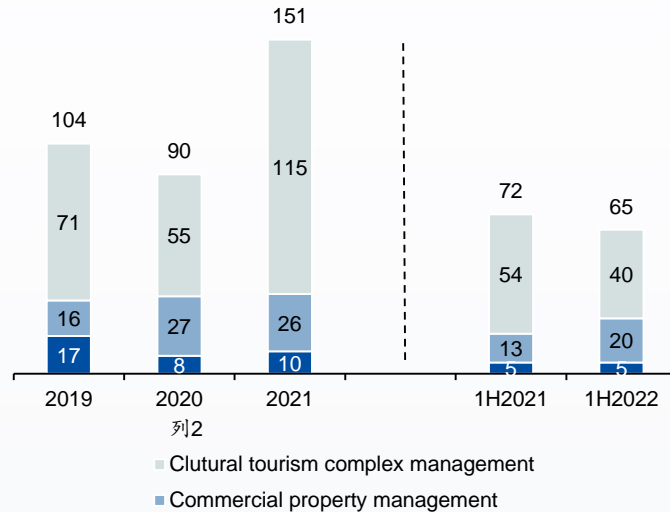
GMV: 75 million  
 Number of orders: over 82,000



### Jianye+ Live

Cumulative Viewers 20,000+  
 Cumulative number of likes 100,000+

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



**10** Hotels under management



**1** Shopping malls under management



**5** Cultural tourism complexes under management

## Continuously making progress, building flagships for cultural tourism in Henan through refined management



Due to the recognition of incentive management fee, revenue increase to **20 million**.



Operating **10** hotels, with 10 hotels winning **29** industry awards in total.



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



CCTV, Xinhua Social media, People's Daily online and others over 10 heavyweight media reported on "Unique Henan Drama City", total media exposure is approach **500** million views.

# 5 Outlook and Strategies



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## Central China Group 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.

 On August 8, 2022, Central China Real Estate fully repaid the \$500 million debt due in 2022, one of the few private housing enterprises to repay the dollar debt as promised, boosted market confidence and kept the credit bottom line of Central China and Henan Real Estate.

 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 **2.4 million property owners**, 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 1H2022 is RMB7,332, which is 19% higher than the average of RMB6,145 in Henan Province.

 Central China Cultural Tourism has created cultural tourism IPs such as Unique Henan, which has exposed on media approach 500 times.





# Cooperation Between Henan Railway Construction & Investment And CCRE



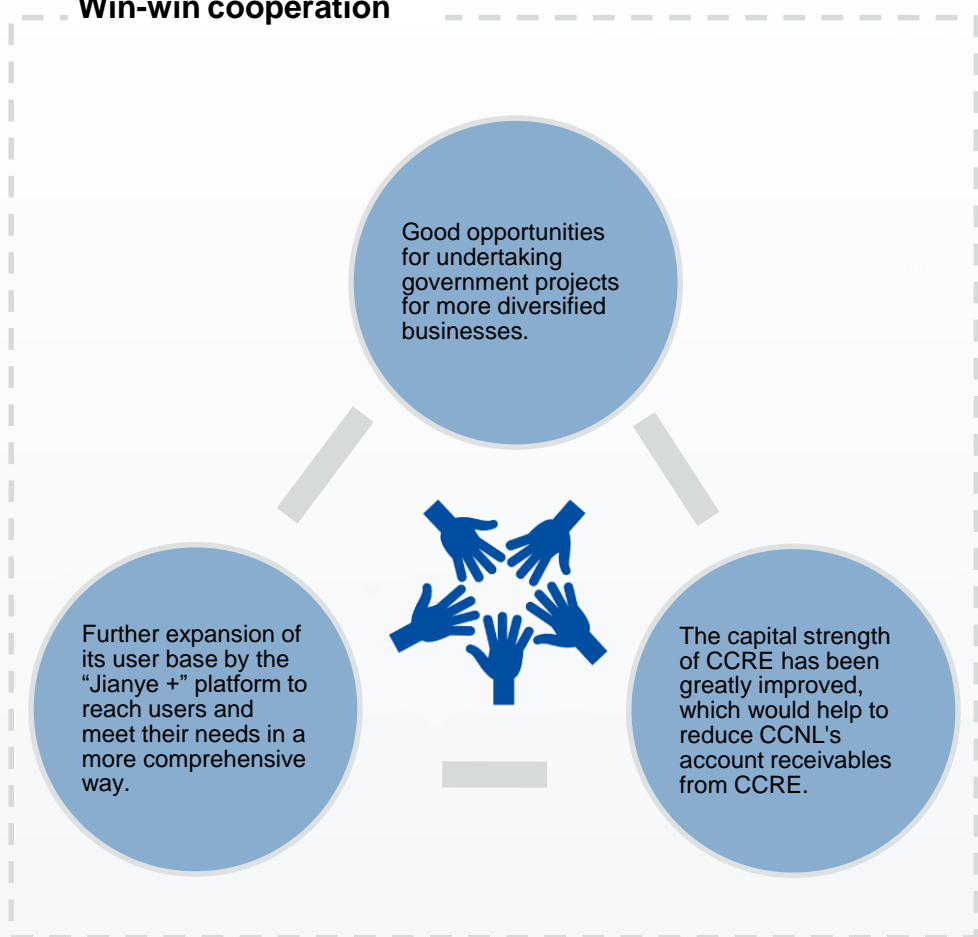
## INFORMATION ABOUT THE COOPERATION

On 21 July, a strategic cooperation agreement was officially entered into between Henan RCIC Group and Central China Group, which marked the beginning of a substantive phase of both parties' cooperation.

According to the agreement, the controlling shareholders of CCRE shall sell 885 million shares to a subsidiary of RCIC at a price of HK\$0.7325 per share, representing 29.01% of the shares in issue of the Company, at a cash consideration of HK\$688 million.

The parties were in negotiation on the issuance of convertible bonds by CCRE to RCIC.

## Win-win cooperation







On 8th April, Central China Group signed a strategic cooperation agreement with **Henan Airport Group**. The two parties will cooperate on all fronts in property management, hotel management, landscaping and property development projects.



On 18th February, Central China Group signed a strategic cooperation agreement with **China Overseas Group**. The two parties will cooperate in integrated real estate development, urban infrastructure construction, modular building design and property management supply chain, as well as other promising areas.



On 7th January, Central China Group signed a strategic cooperation agreement with **POWER China Henan Engineering Co., Ltd.** The two parties will cooperate in areas such as residential housing, cultural and tourism projects, modular construction, infrastructure construction for new industrial cities, property management and community living.



On 1 April, Central China Agriculture signed a strategic cooperation agreement in respect of rural revitalization with **Luoyang Chengjian Group**. The two parties will jointly plan and promote the implementation of a number of rural revitalisation projects that include, but are not limited to, characteristics of the agricultural industry, agricultural technology, rural tourism, cultural and creative industries and other areas.

# Luoyang You Shan Jun & Ding Cheng (Third-parties expansion)

- Luoyang You Shan Jun & Ding Cheng projects are implemented and developed by Luoyang Zhuzong Yutai Real Estate Development Co., LTD. The distance of the two projects is about 200 meters. There are 2,480 property owners in total in these two projects. The two projects are third-parties expansion projects signed with Jianye Property management company.
- Total GFA of the two projects is 0.41 million sq.m.**, with Luoyang You Shan Jun projects making up 0.15 million sq.m. and Ding Cheng projects making up 0.26 million sq.m..
- Jianye Property Management Company upgraded and reconstructed the projects which greatly improved the quality of the service. Therefore, the management fee was successfully increased and the collection rate improved to 92% of the year.

	Before	After
Management Fee	1.2RMB/Month/sq.m.	1.68-1.88RMB/Month/sq.m.
Revenue	3.18 million/year	4.49 million/year
Collection Rate	49%	92%
Renovation	N/A	13 projects
Second-hand house Price	6,000RMB/sq.m	9,000RMB/sq.m.

## Before & After Comparison



Water system cleaning

Children's playground enhancement

Greening ascension

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 2021 Census data, Henan has a population of **100 million**
- ❑ **5<sup>th</sup> largest provincial economy in China in 2021:** Regional GDP of Henan Province was **RMB5.9 trillion** in 2020, representing approximately **5.0%** of China's GDP, with a CAGR of **9.7%** from 2016 to 2021.
- ❑ **Disposable Income Per Capita:** Disposable Income Per Capita of Henan Province was **RMB26,811** in 2021, with a CAGR of **7.8%** from 2016 to 2021
- ❑ **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 1H2022, the total GFA of commercial properties commenced, completed and sold in Henan Province was **46.28m sq.m.**, **14.67m sq.m.** and **56.71m sq.m.** respectively, accounting for **9.5%**, **7.0%** and **8.2%** 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

# Q&A



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