

[For immediate release]



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

**Central China Real Estate Limited announces 2017 Annual Results**

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**Revenue and net profit significantly increased by 46.2% and 122.5% respectively**  
**Contracted sales rose by 51.0% to RMB30,415 million**  
**Transformation into a provider of services for new lifestyle in progress**  
**with asset-light business model**

**Financial Highlights:**

(RMB million)	For the year ended 31 December		
	2017	2016	Changes
Revenue	<b>13,879</b>	9,495	+46.2%
Gross Profit	<b>3,281</b>	2,293	+43.1%
Net Profit	<b>899</b>	404	+122.5%
Profit attributable to equity shareholders	<b>811</b>	403	+101.3%
Basic earnings per share (RMB cents)	<b>33.19</b>	16.50	+101.2%
Final dividends per share (HK cents)	<b>12.29</b>	--	N/A

(13 Mar 2018 – Hong Kong) — **Central China Real Estate Limited** (“CCRE” or the “Company”, together with its subsidiaries, the “Group”; SEHK stock code: 832), one of the leading Henan-based property developers, announced its annual results for the year ended 31 December 2017 (the “Year”).

During the Year, the Group stepped up sales of properties, leading to noticeable growth in sales, which exceeded the sales target set at the beginning of the Year and hit the Group’s record high. In 2017, the Group’s contracted sales increased by 51.0% to approximately RMB 30,415 million, which also represented a compound annual growth rate of 16.8% in the past five years. The contracted area sold by the Company was approximately 4.58 million sq. m., representing an increase of 65.8%. In terms of contracted sales amount, the market share of the Company in 2017 in Henan Province was 4.3%.

In 2017, the group’s recognized property sales increased in terms of area sold and income. Revenue increased by 46.2 % to RMB 13,879 million in 2017. Gross profit increased by 43.1% to approximately RMB 3,281 million. Affected by the changes in product portfolio and costs of sale, gross profit margin decreased by 0.5 percentage points to 23.6% in 2017. Profit attributable to equity holders of the Company was approximately RMB 811 million, representing an increase of approximately 101.3% compared with the year 2016. Basic earnings per share for the year was RMB33.19 cents (2016: RMB16.50 cents). The board proposed a final dividend of 12.29 HK cents per share (equivalent to approximately RMB9.93 cents).

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Revenue from property sales increased by 44.9% to approximately RMB13,211 million for the year 2017 due to an increase in sold area to 2,329,226 sq.m. in 2017 from 1,738,628 sq.m. in 2016, and the average selling price increased to RMB5,672 per sq.m. in 2017 from RMB5,245 per sq.m. in 2016. Revenue from property leasing maintained stable at approximately RMB94.93 million in 2017, which was mainly derived from rental income of the properties held. The increase was due to various large-scale conferences and exhibitions were held in Nanyang, Luohe and Kaifeng cities in 2017 where the Group's hotels are located and catered for receptions of conference teams. Revenue from hotel operation increased by 9.9% to approximately RMB266 million in 2017 from approximately RMB242 million in 2016.

During the year, the Group completed the construction of 46 projects in total with a total GFA of approximately 3,519,255 sq.m. The Company commenced the construction of 54 projects in total with newly commenced GFA of 5,869,335 sq. m. The Company had 65 projects under development with a total GFA of approximately 8,416,742 sq. m., including 10 projects under development in Zhengzhou and 55 projects under development in other cities of Henan Province.

During the year, the Group acquired land with a GFA of approximately 5.75 million sq.m. through public land auctions and equity acquisitions, which was in line with the development plan formulated by the Group. As at 31 December 2017, the Company had land reserves with a total GFA of approximately 31.88 million sq.m., including equity interested GFA of approximately 24.25 million sq.m.

During 2017, the Company sped up the development pace of light-asset projects and newly signed 39 projects in total. As at 31 December 2017, the Group has participated in 75 light-asset projects with total planned GFA of approximately 12.46 million sq.m. Revenue from provision of project management service of approximately RMB308 million in 2017. The Group expects the light-asset projects will generate steady income to the Group in the coming years and such income will increase following the development of the projects.

In addition to property sales, the Group has been expanding its revenue base and spreading its operational risks through expanding hotel and cultural tourism projects and diversifying businesses. Yanling Jianye The Mist Hot Spring Hotel, the first self-operated hotel of the Group, started trial operation in February 2018; while Huayi Brothers Film Culture Town was listed in the "First Batch Type-A Key Construction Projects in Henan Province" in 2017. The management believes that injecting part of the resources into these new businesses would improve the Group's industry value-chain by integrating interactive business segments including properties, hotels and cultural tourism and offering "tailor-made" services to our customers.

The Group strictly adhered to its principle of prudent financial management, and maintained a high proportion of cash in its assets and a reasonable level of borrowings. As the increase in contracted sales and cash collection of sales were satisfactory, the cash, cash equivalents and restricted bank deposits of the Group in total amounted to approximately RMB13,409 million as at 31 December 2017. Net borrowings in a total amounted to approximately RMB4,300 million with net gearing ratio of approximately 50.8% as at 31 December 2017.

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Looking ahead, **Mr. Wu Po Sum, Chairman of the Group** said, “Having taken root in Henan province for 25 years, the Company will leverage on its two competitive advantages of a huge customer base and a strong brand to ensure sustainable growth continue. It’s the 10th anniversary of the listing in Hong Kong in 2018. We will further ride on the comprehensive advantages of the Jianye’s brand and unique business model to strengthen the integration of resources and innovative land acquisition methods, in order to further upgrade the product and service standards. Focusing on the strengthening of the core real estate industry, the “Jianye+” commercial ecosystem, continuing to practice the corporate culture of “keeping promise, responsibility, taking the right path, and being in business” and striving to implement the management goals of “consensus, creation, sharing, win-win, and sharing, this will help to take the Group’s business to the next level.”

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### **About CCRE**

Central China Real Estate Limited is one of the leading Henan-based property developers which focus on developing high-quality residential properties. 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 2017” jointly published by China Real Estate Association and China Real Estate Appraisal. CCRE also topped the list of “Top 10 Chinese Property Developers in Regional Operations” for the ninth year in a row and repeatedly ranked among the top five 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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