



建业新生活
CENTRAL CHINA NEW LIFE

香港股票代码
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**COOPERATION BETWEEN
HENAN RAILWAY CONSTRUCTION & INVESTMENT
AND CENTRAL CHINA REAL ESTATE
INVESTOR PRESENTATION
6 JUNE 2022**



Overview of Henan Railway Construction & Investment:

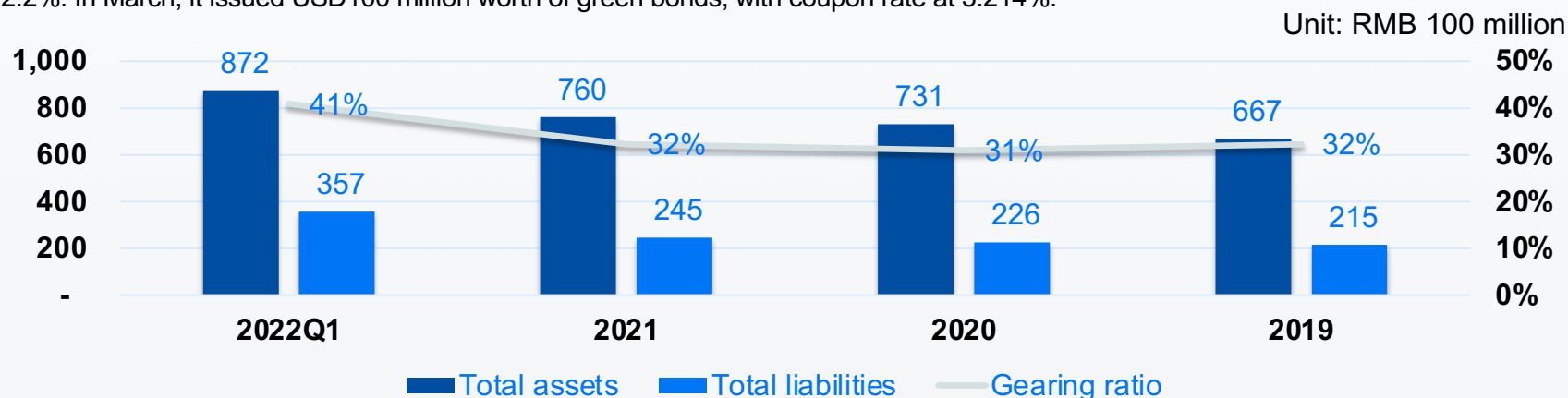
Railway Construction & Investment Group is the only provincial level enterprise in Henan approved by the provincial party committee and the provincial government to operate real estate business. In October 2021, with approval of the Henan provincial government, Henan Railway Investment Co., Ltd. was renamed Henan Railway Construction & Investment Group Co., Ltd. (“Henan Railway”) and established with a registered capital of RMB60 billion and minority controlling stake in 20 companies. It is the only entity engaging in investment, financing, construction, operation, management and comprehensive development of railway transportation infrastructure in Henan Province.

Overview of Main Business:

Since its establishment 12 years ago, Henan Railway Construction & Investment has invested in 23 railway projects, with over 3,700 km of railway built, involving a total investment of RMB43.9 billion. Henan Province has contributed cumulatively capital of RMB58 billion, with rail lines of more than 3,300 km added, ensuring its strategic “Asterisk” -shaped high-speed railway network is effectively implemented and smooth progress of railway construction.

Financial Position and Credit Status:

As of March 2022, the Group had total assets of RMB87.2 billion, total liabilities of RMB35.7 billion, and a gearing ratio of 41%. Moody’s International has given its an A2 credit rating. In January 2022, it issued a first tranche of USD400 million senior unsecured bonds, with coupon rate at 2.2%. In March, it issued USD100 million worth of green bonds, with coupon rate at 3.214%.



Overview of real estate development:

The real estate development business of Henan Railway is operated by its wholly-owned subsidiary **Henan Tongsheng Zhiye Co., Ltd.** (河南同晟置业有限公司), which engages mainly in real estate development and operation and hotel management. Its main endeavors include land consolidation of land for primary development and secondary real estate development, adopting the government-enterprise "co-investment, co-development, revenue sharing and risk sharing" cooperation model. The projects it has under construction include Zhumadian High-speed Rail West Plaza Project, Antang New City Project of the Anyang Project, Blue City Cheng Yuan project in Baisha Group Headquarters Industrial Park in Zhengdong New District, the TOD Comprehensive Development Project in Dameng Station of Zhengkai Intercity Railway, the TOD Comprehensive Development Project in Bianxi Station of Zhengkai Intercity Railway, the Yongcheng Longchengyuyuan secondary development project, the Luoyang Central China Dragon City secondary development project, and the Henan intercity railway integrated dispatch and command center agent construction project, etc.

Real estate development planning:

On the back of Henan Railway, consolidate government, railway investment and land resources along the railway, and in full embrace of market-oriented operation, carry out comprehensive land development and operation and various other business operations in relation to railway construction and investment.

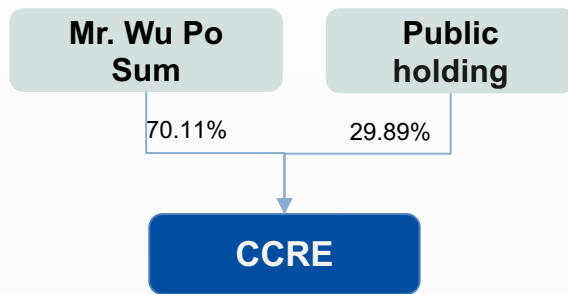
To date, the company has invested in and owns 40,000 mu of land resources along the railway in the province and has 10 subsidiaries. It boasts relatively better development resources along the high-speed railway as well as strong financial strength.

Overview:

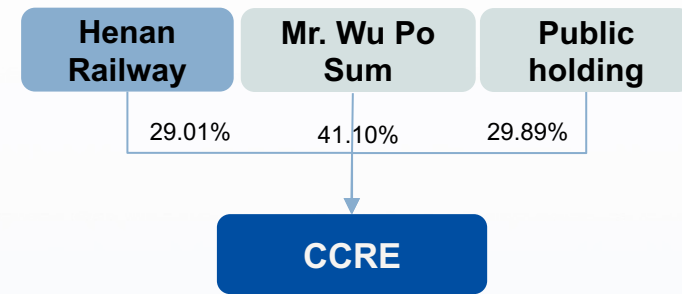
1) Henan Railway acquired 860 million shares of Central China Real Estate Limited (“CCRE”) from Mr. Wu Po Sum, the major shareholder of CCRE (equivalent to 29.01% of CCRE’s existing issued share capital), at no higher than HK\$0.8/share, with total consideration amounting to about **HK\$688 million** in cash. Mr. Wu will lend the cash received in the form of shareholder loan to CCRE for daily operation use;

2) CCRE will issue to Henan Railway **no more than HK\$708 million** convertible bonds with coupon rate at 5% (if the holders of the convertible bonds do not convert the bonds into shares upon maturity, YTM will increase to 9%). The creditor has the right to convert the bonds into shares at a price of no more than HK\$1.2 per share during the holding period. After full conversion, a total of approximately 590 million shares will be issued, equivalent to 19.9% of the existing share capital or 16.6% of the enlarged share capital. The bonds will expire in 2024 and the conversion period is 2+1 years, that is, if both parties agree, after the end of two years, it shall be extended for another year.

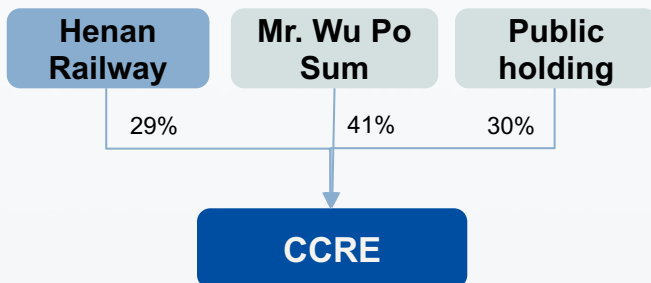
➤ Before the equity acquisition



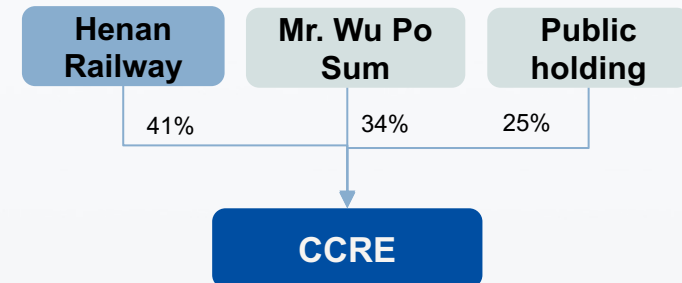
➤ Post-acquisition

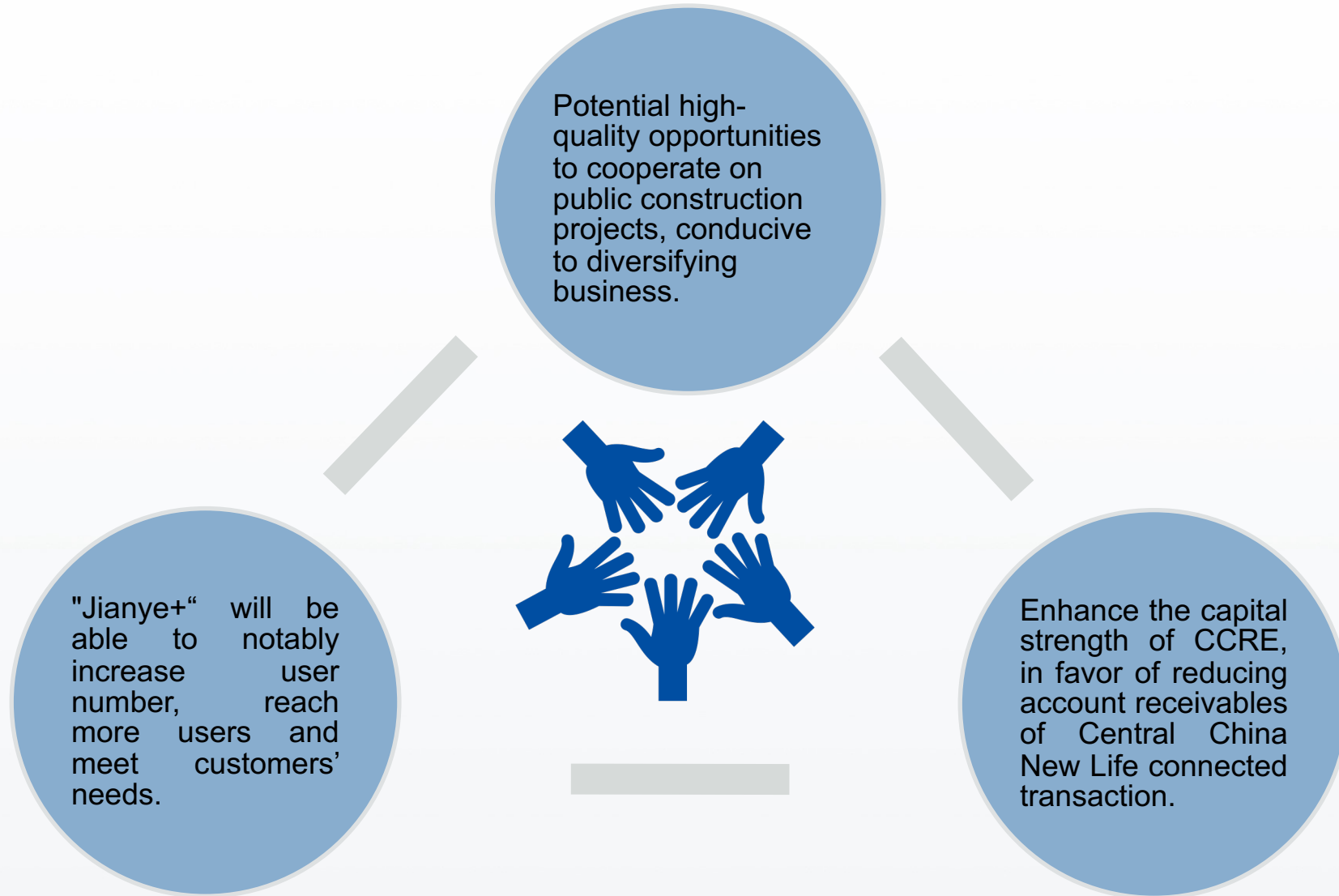


➤ Before the issuance of convertible bonds



➤ After the issuance and conversion of convertible bonds





Q&A Session



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