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CENTRAL CHINA NEW LIFE

香港股票代码  
9983.HK

# 2023 INTERIM RESULTS INVESTOR PRESENTATION

CENTRAL CHINA NEW LIFE LIMITED (9983.HK)

22<sup>TH</sup> AUGUST 2023



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# Outline

1. **Company Overview**
2. **Company Highlights**
3. **Business Performance**
4. **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, Community value-added services, Value-added services to non-property owners, which cover property management, select lifestyle, intelligent community, quality dwelling and other various businesses to create a service system that leads a new lifestyle. Through the membership benefit platform “Jianye+”, CCNL provides **2.5 million** property owners 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:

**1**

Property management	1H2022	1H2023
Revenue (RMBm)	820	951
Revenue contribution	52.4%	70.2%
Gross profit margin	18.9%	25.7%
1H2023 YoY revenue growth		16%

□ **Property management**

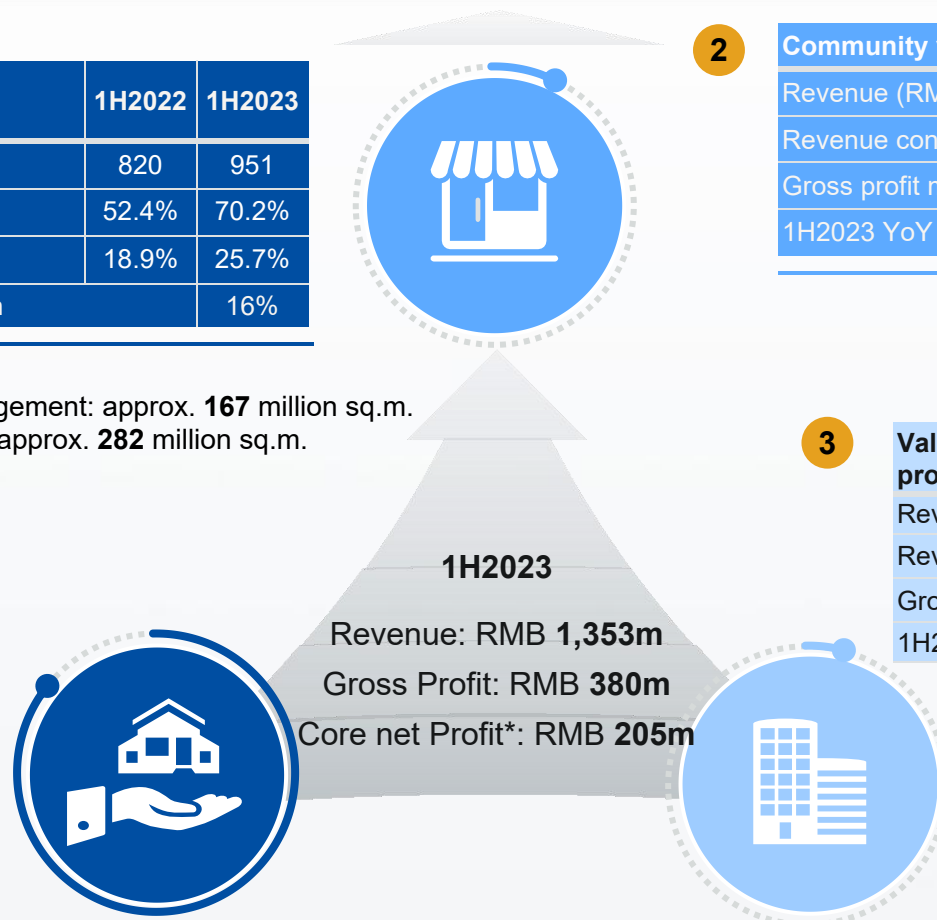
- Total GFA under management: approx. **167** million sq.m.
- Total Contracted GFA: approx. **282** million sq.m.

**2**

Community value-added services	1H2022	1H2023
Revenue (RMBm)	338	298
Revenue contribution	21.6%	22.0%
Gross profit margin	37.8%	31.5%
1H2023 YoY revenue growth		-12.1%

**3**

Value-added services to non-property owners	1H2022	1H2023
Revenue (RMBm)	407	105
Revenue contribution	26.0%	7.8%
Gross profit margin	52.7%	39.6%
1H2023 YoY revenue growth		-74.2%



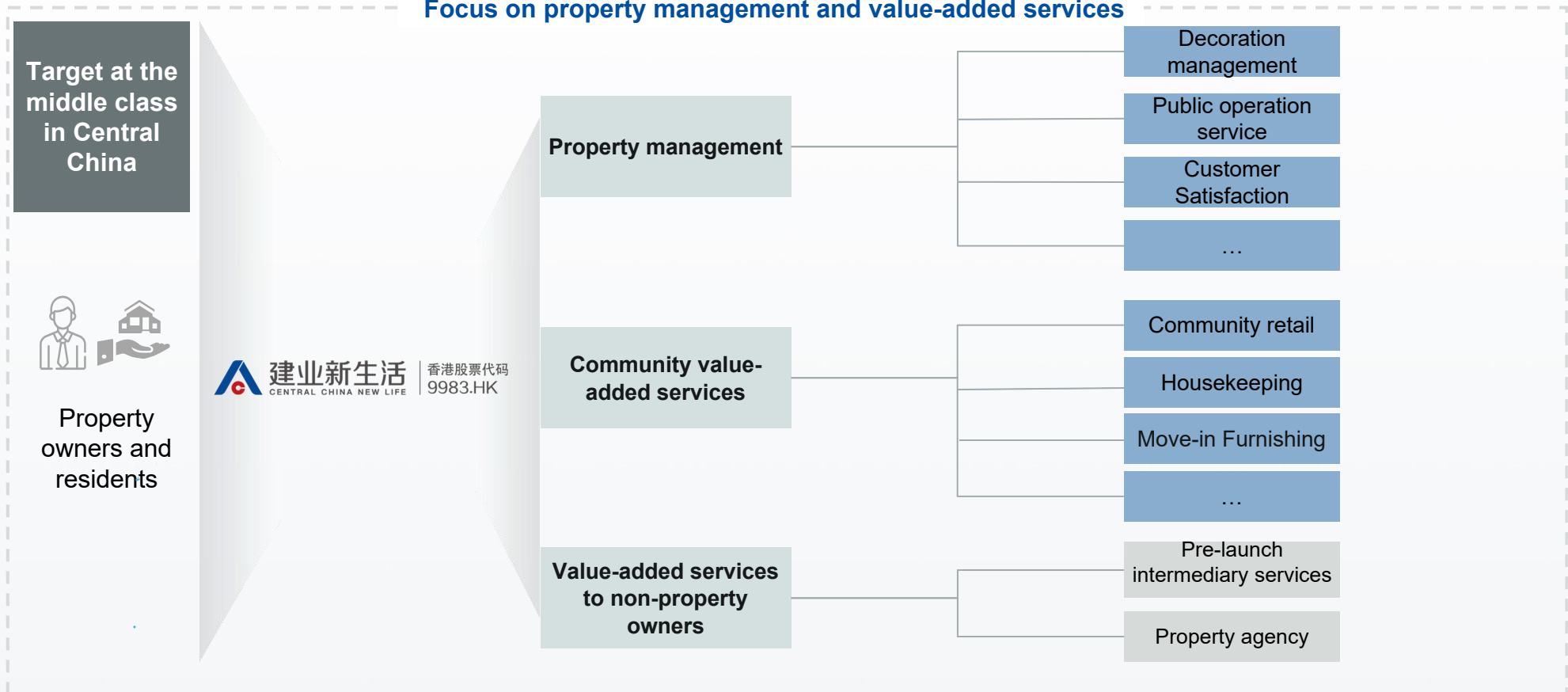
**Note:** Information / data presented are as of 30 June 2023 unless otherwise specified

**Core Net Profit\*:** Calculated based on profit/(loss) attributable to shareholders of the Company, adjusted by the impairment provision for receivables and, fair value gains or losses from financial assets at fair value through profit or loss and related tax effect.

## 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

### Business segments reclassification Focus on property management and value-added services



# 2 Company Highlights

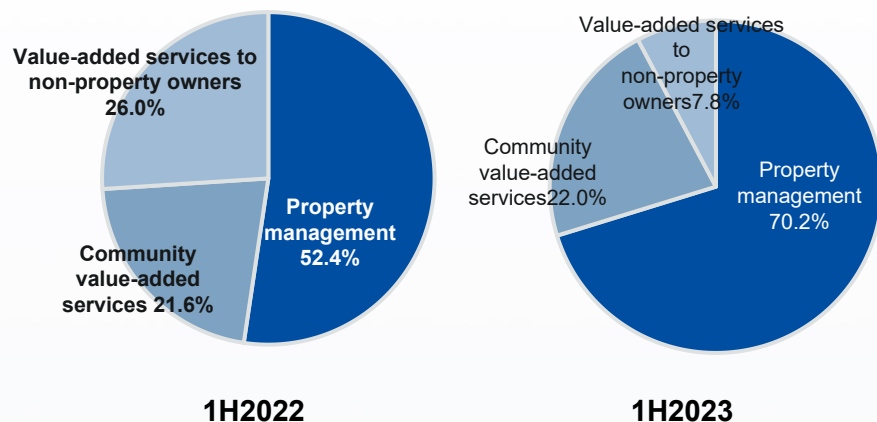


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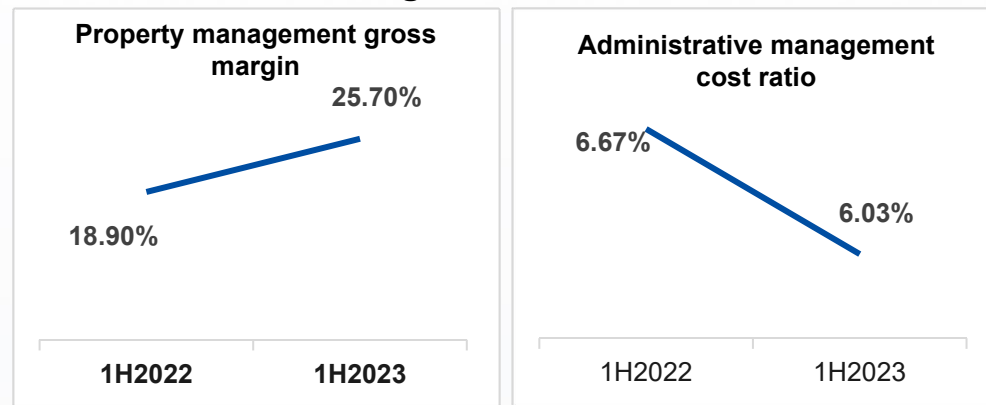
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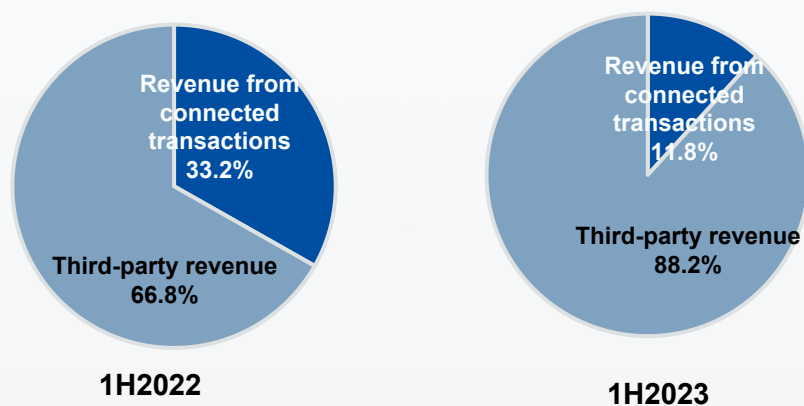
## 1. Increased proportion of revenue from basic property management



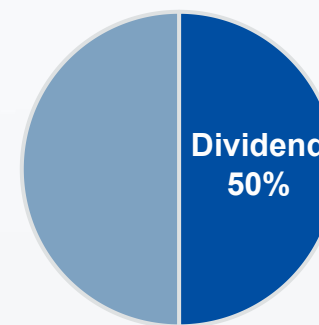
## 2. Significant improvement in property management gross margins, Decrease in the administrative management cost ratio



## 3. Declining share of connected transactions



## 4. Dividend payout ratio at 50%



1H2023 dividend distribution reaches 103million

## 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 9.5 million community projects

### Served over 2.5 million owners

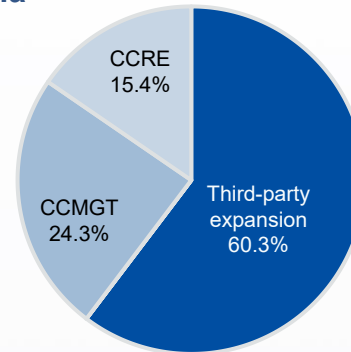


Star Convenience Service to Enhance Customer Satisfaction

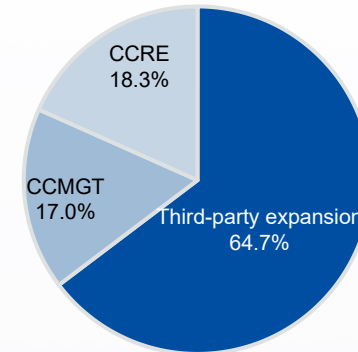


Conduct regular fire alarm and flood prevention rehearsal

## Strong brand awareness and third-party expansion



Composition of newly added contracted GFA in 1H2022

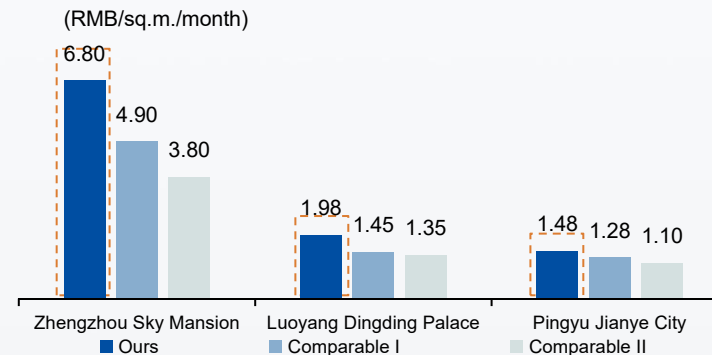


Composition of newly added contracted GFA in 1H2023

1H2023, there were **949m sq.m.** newly added contracted GFA, including **81.7%** from third-party expansion, CCMGT and M&A.

## Management fees higher than surrounding comparable residential neighbourhoods

Property Management Fee Comparison with Surrounding Neighbourhoods by City



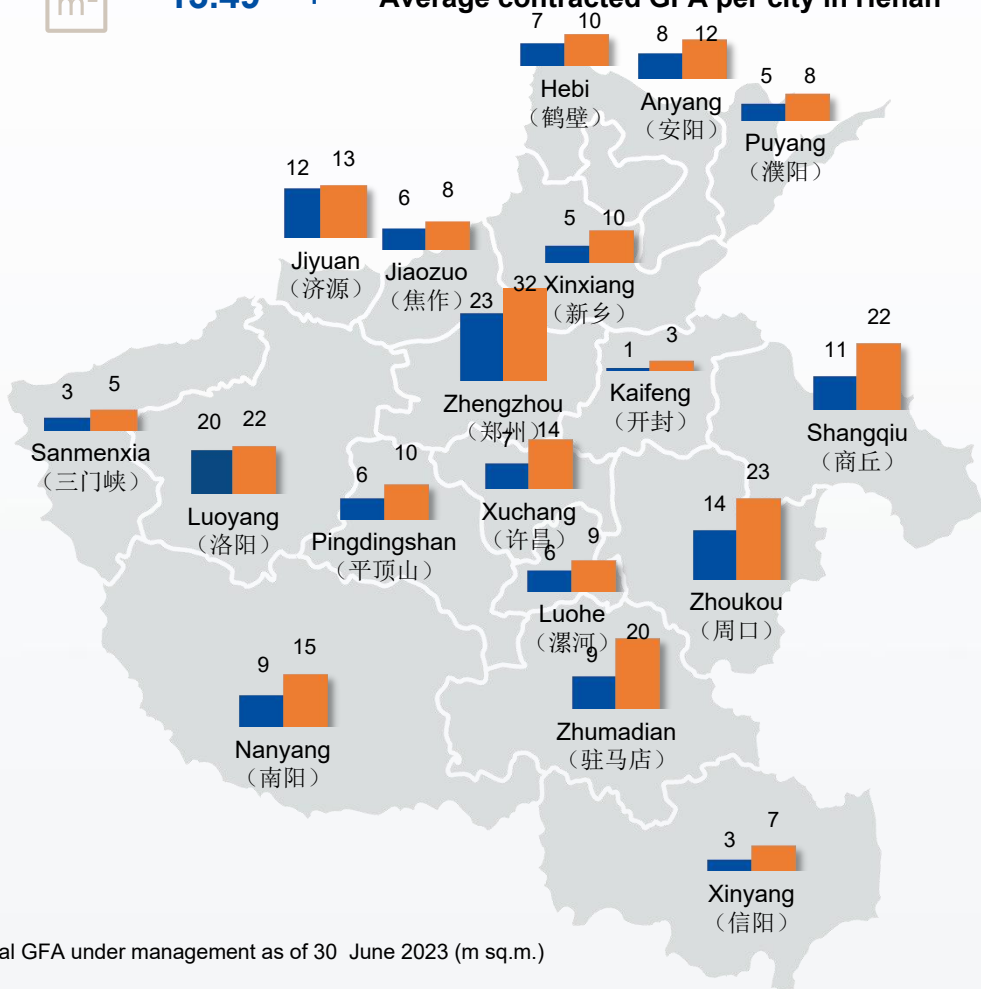
We managed to increase the management fee by **50%-100%** in **22 projects** under management.





**8.34m sq.m.** Average GFA under management per city in Henan



**13.49m sq.m.** Average contracted GFA per city in Henan



 Total GFA under management as of 30 June 2023 (m sq.m.)

 Total contracted GFA as of 30 June 2023 (m sq.m.)

## Intelligent and segmented management



Intelligent property management screen

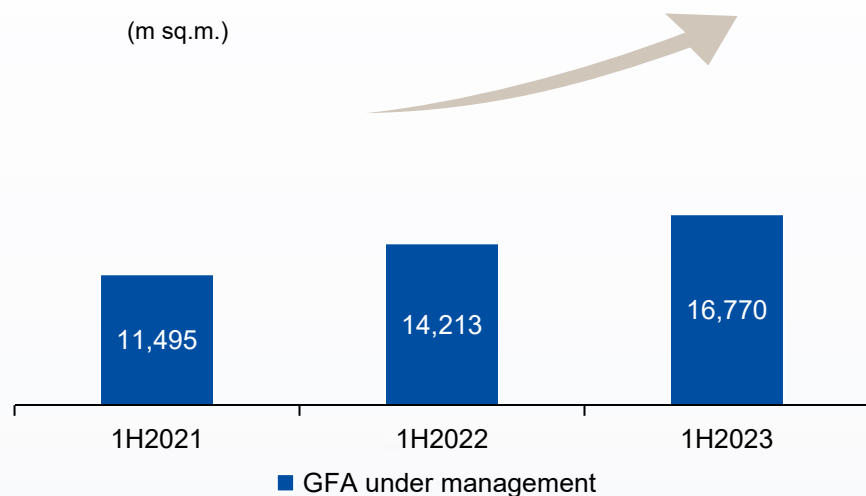
## 7 intelligent management strategies

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

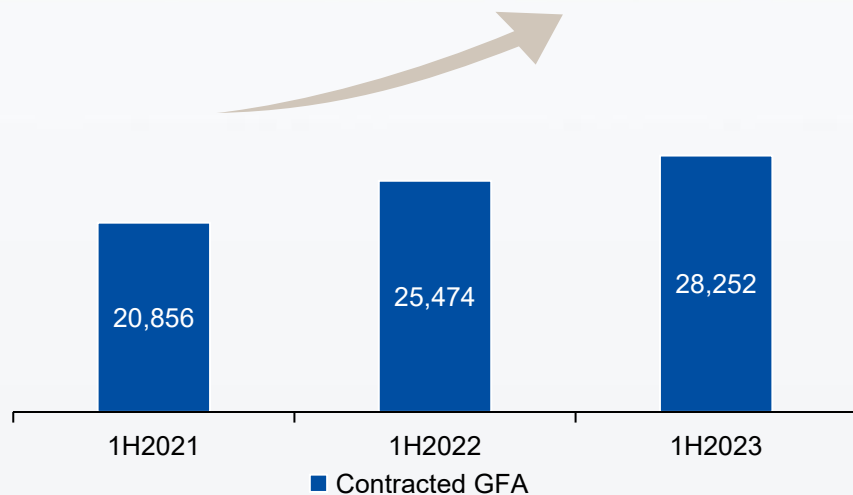


## High Growth in GFA

(m sq.m.)



- As of 30 June 2023, 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%**



- In 1H2023, CCNL had **949m sq.m.** of newly added residential contracted GFA. Given that the GFA sales in Henan in 1H2023 was 44.12 million sq.m., the newly added contracted GFA of the company represents a market share of **21.5%**

# 3 Business Performance

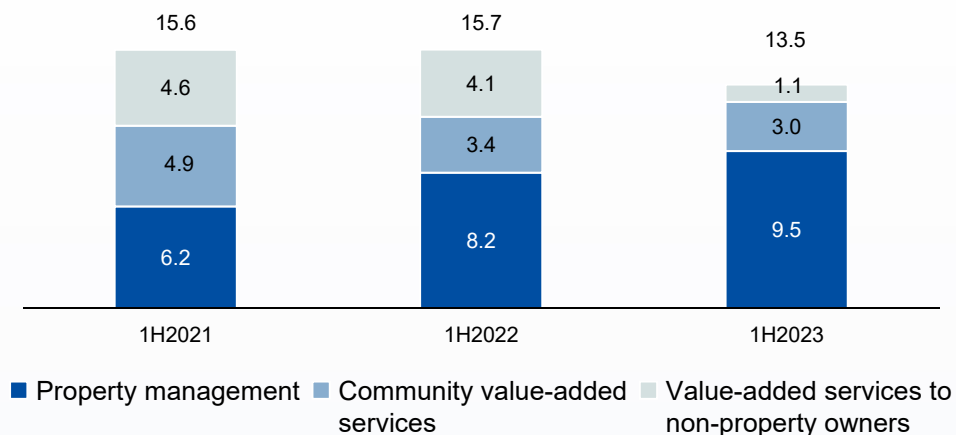


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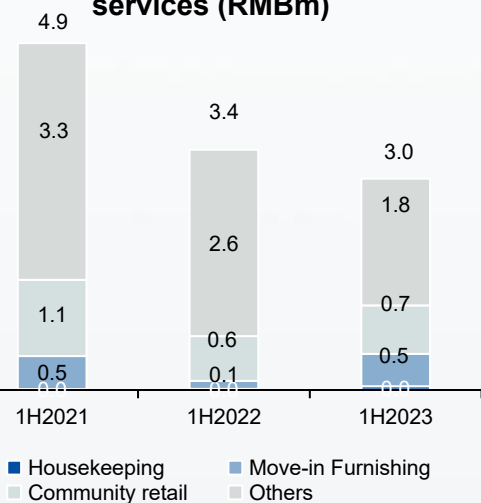
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# 1 Property Management and Value-added Services

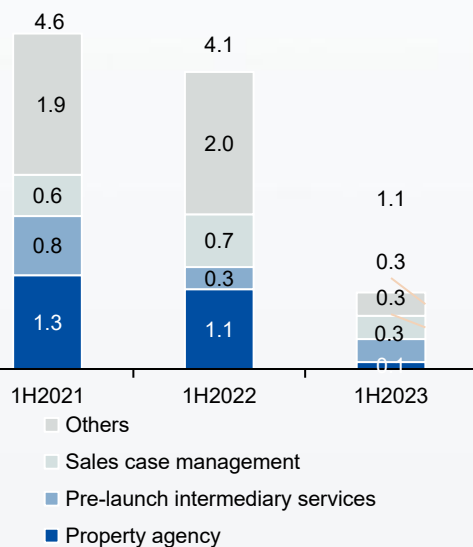
## Revenue of property management and value-added services (RMBm)



### Community value-added services (RMBm)



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



## Performance of property management services

1H2023 GFA under management: **167m sq.m.**, contracted GFA: **282m sq.m.**



**81.7%**

Proportion of newly added contracted GFA from third-party expansion



**953**

Projects under management



**1,391**

Contracted projects

1H2023 property management revenue RMB 951 million, **up 16% YoY**



**3,281**

Community activities

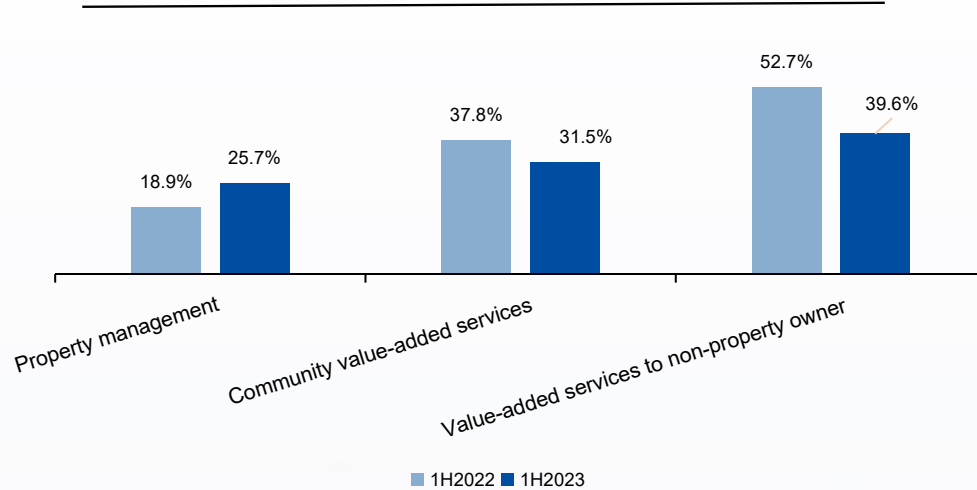


**11<sup>th</sup>**

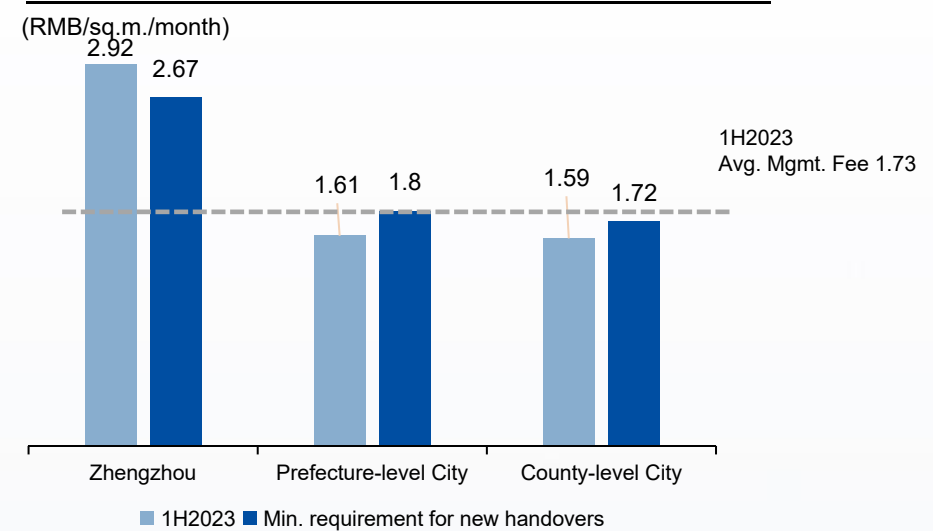
Ranking in Top 100 Property Service Companies in China

# 1 Property Management and Value-added Services

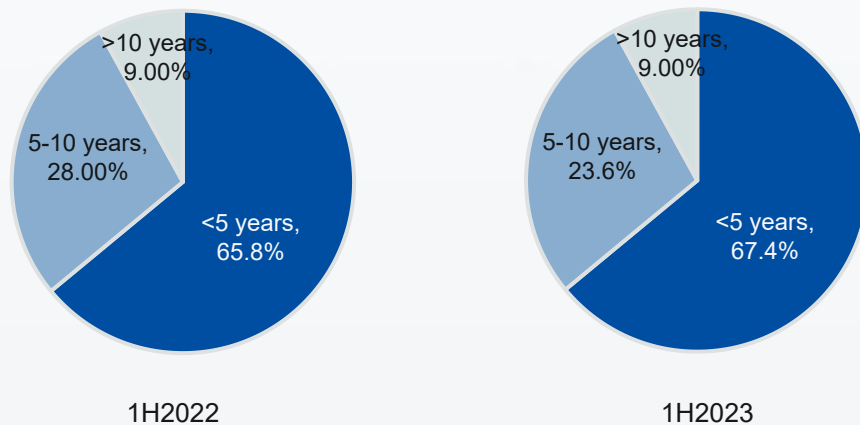
### GPM of Property Management and Value-added Services



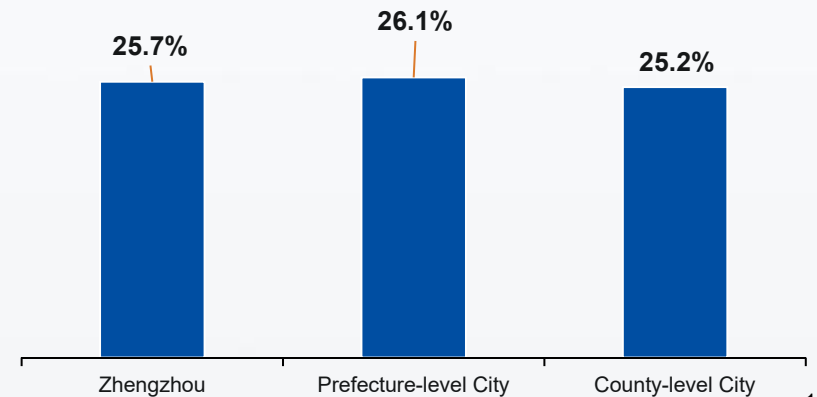
### Average Management Fee by City/County



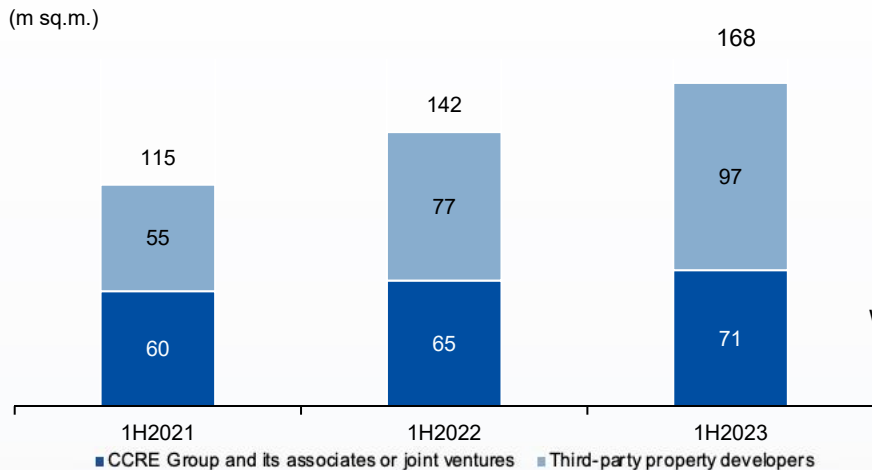
### Revenue Contribution of Communities under Management by Years since Handover



### Property Management GPM by City



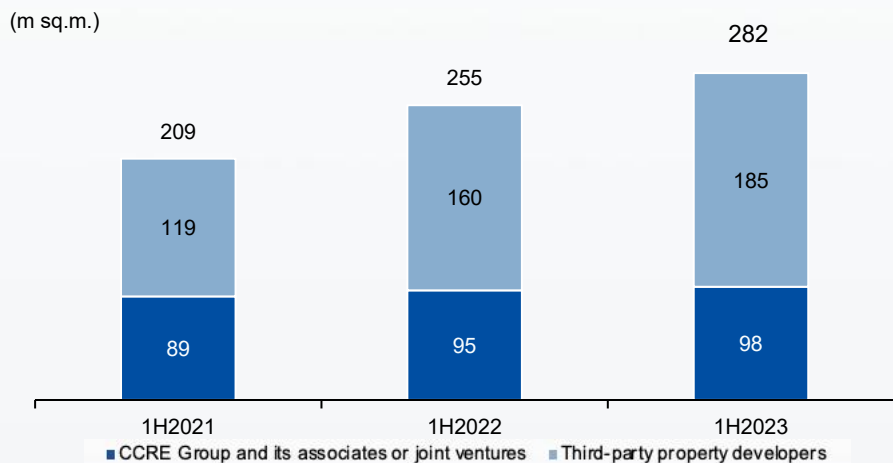
## Total GFA Under Management



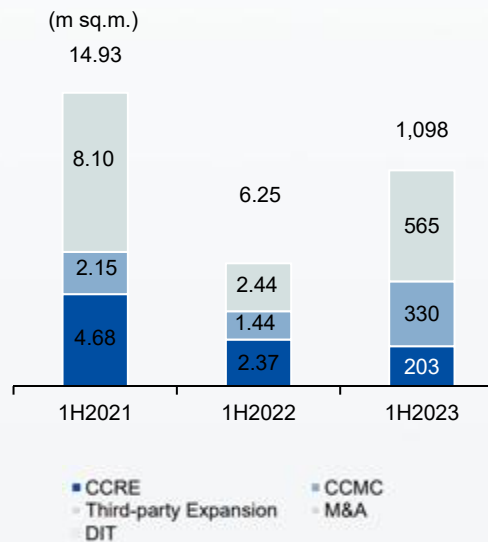
Won the award of "2023 China Excellent Listed Property Management Company by Investment Value" "2023 China Top 10 Listed Property Management Companies in terms of Comprehensive Strength"

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

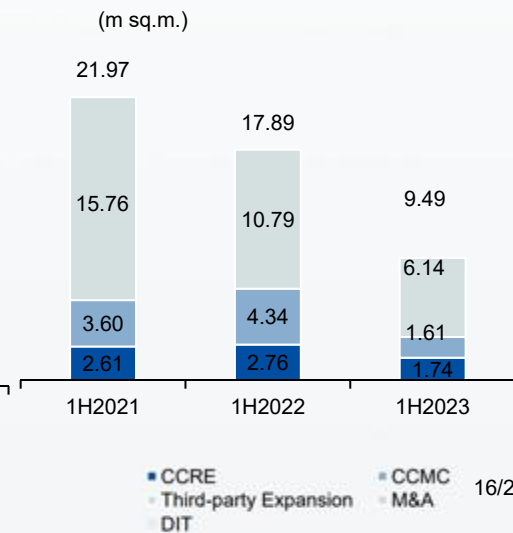
## Total Contracted GFA



## Newly Added GFA Under Management



## Newly Added Contracted GFA





# 4 Outlook and Strategies



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## Basic property management services grows steadily; Value-added services starts to thrive

### Basic Property Management Services

#### 1. Cost reduction and efficiency enhancement

- Headquarters-city companies two-tier control
- Optimize basic data collection system
- Strengthen training and empowerment, improve assessment mechanism and enhance staff efficiency

#### 2. Improve customer satisfaction

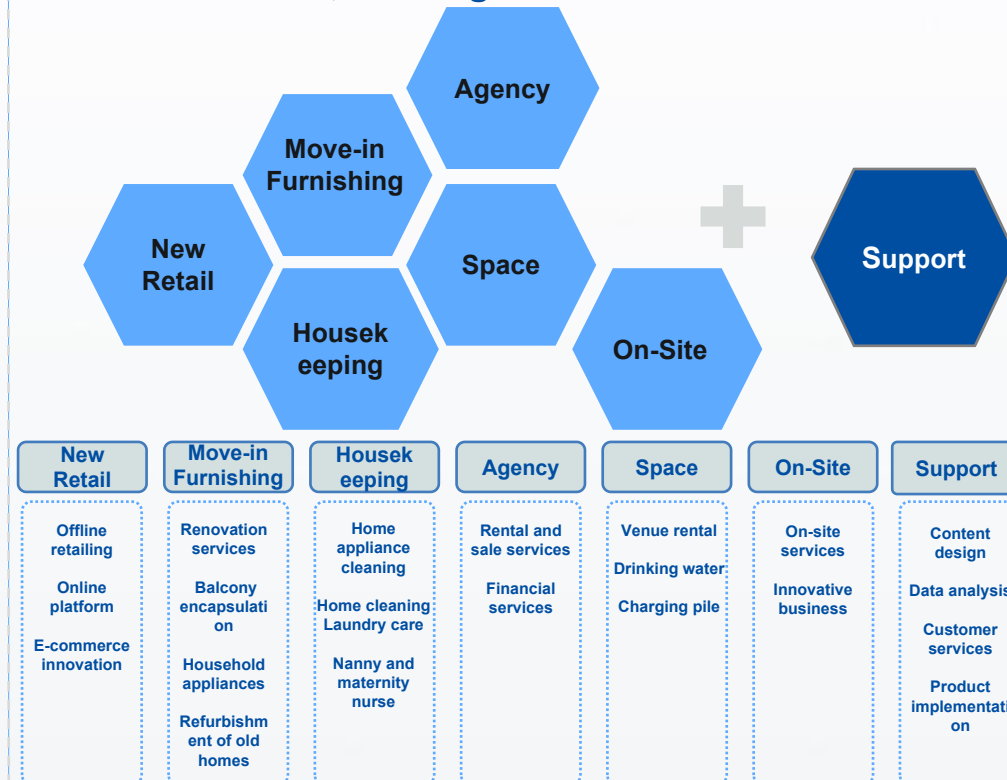
- Services upgraded to match quality and price
- Transparency in service standards
- Reflection of genuine customer feedback

#### 3. Continue to expand

- Using external expansion as the main source of area growth

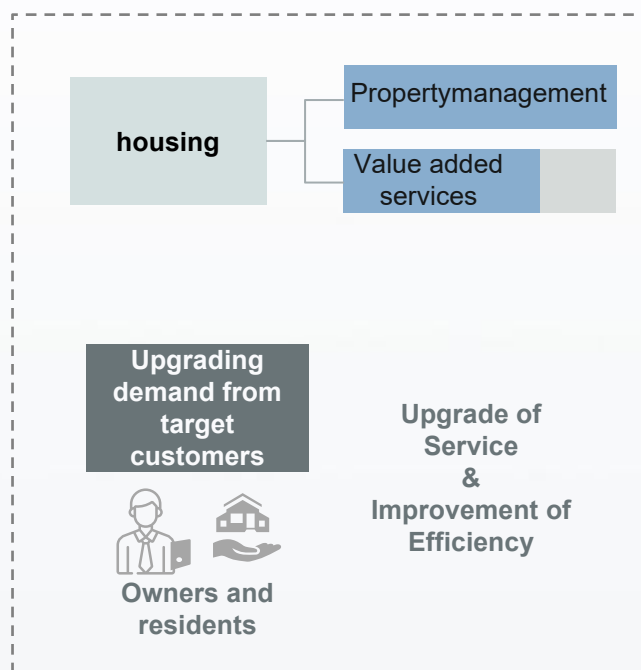
### Value-Added Services

Six major businesses (18 items) + supporting sectors, forming a "6+1" model



The management believes that regardless of massive changes in the macro environment, financial markets, and geopolitics, the basic property management service business remains stable

## Three year development goals for 2023-2025



"One rise and one fall"  
To realize the gross profit improvement of basic property management



**Revenue Increase**

➤ 20-30% increase per year



**Cost Reduction**

➤ SG&A expenses ratio decreases 0.5% per year




**Gross profit Improvement**


➤ Gross profit margin of basic property management increase 2%-3% per year

## 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.

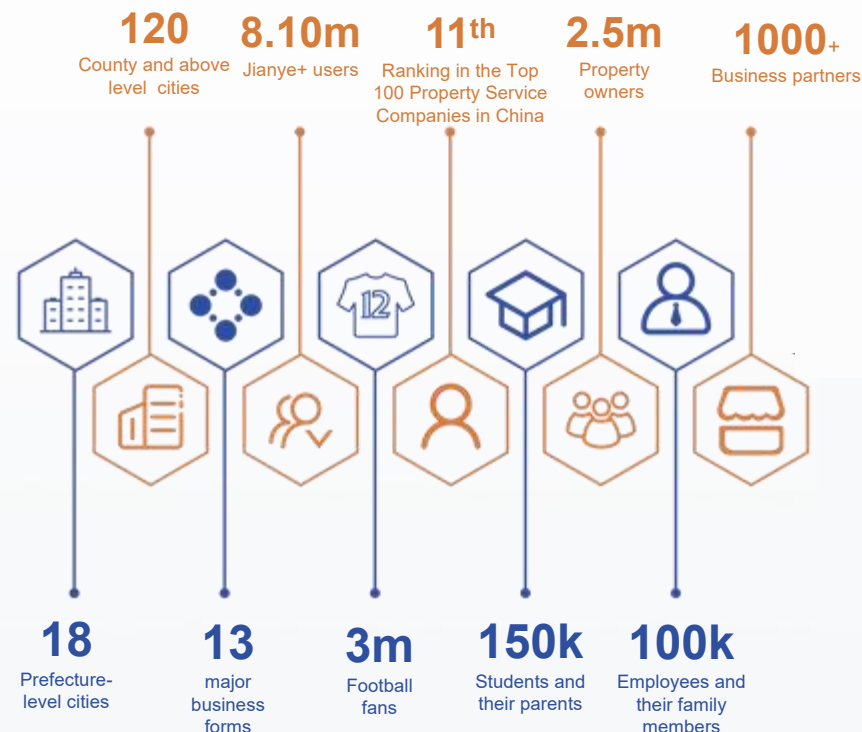
By the end of December 2019, both the assets and sales of Central China Group exceeded RMB100 billion and **covered all 120 counties and cities in Henan**.

 Central China Real Estate has been focusing on Henan for nearly 30 years, In 1H2023, Jianye Group's property sales amount and sales area were the top in Henan Province, demonstrating its high brand awareness

 Central China New Life serves **2.5million 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 1H2023 is RMB6,911, higher than the average sales price in Henan Province

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



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 2023 Census data, Henan has a population of **100 million**
- ❑ **5<sup>th</sup> largest provincial economy in China in 1H2023:** Regional GDP of Henan Province was **RMB3.1trillion** in 1H2023, representing approximately **5.0%** of China's GDP,
- ❑ **Disposable Income Per Capita:** Disposable Income Per Capita of Henan Province was **RMB14,156** in 1H2023, with a CAGR of 6.9% from 2017 to 2022
- ❑ **Urbanization Rate:** According to the 2022 Census data, the urbanization rate of Henan Province is **57.1%**, which is **8.2 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:** As of May 31, 2023, the completed construction area of Henan Province exceeds **2.65 billion** square meters. In 10 years, the property management area of Henan Province will reach **4.68 billion** square meters, making it the fifth largest provincial market for property management in China
- ❑ In January-May 2023, the total GFA of commercial properties commenced, completed and sold in Henan Province was **29.26m sq.m.**, **13.26m sq.m.** and **29.08m sq.m.** respectively, accounting for **7.4%**, **4.8%** and **7.2%** 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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