

# 2021 June Newsletter

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## China SCE Group Holdings Limited

Stock Code: 1966.HK

Best 50 of China Real Estate Developers



China SCE Group Holdings Limited ("China SCE" or the "Company") was established in 1996 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in February 2010. The Group's major businesses include property development, commercial management, property management and rental apartments business. The Company is headquartered in Shanghai for its business operations, while implementing key focused strategy in the Yangtze River Delta Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area, the Bohai Rim Economic Zone, the West Taiwan Strait Economic Zone and Central Western Region.

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## Latest News

### Sales Overview

In June 2021, the Group together with its joint ventures and associates achieved a contracted sales amount of approximately RMB12.442 billion and a contracted sales area of 839,175 sq.m, representing a year-on-year increase of 4% and 3%, respectively. The average selling price for June 2021 was RMB14,827 per sq.m.

For the six months ended 30 June 2021, the Group together with its joint ventures and associates achieved an accumulated contracted sales amount of approximately RMB59.051 billion and an accumulated contracted sales area of 3,706,741 sq.m, representing a year-on-year increase of 47% and 36%, respectively. The average selling price for the six months ended 30 June 2021 was RMB15,931 per sq.m.

In the first half of the year, the Group has achieved 49% of its 2021 sales target of RMB120 billion.

### Land Bank

As of 30 June 2021, the Group together with its joint ventures and associates owned a land bank with an aggregate planned GFA of approximately 4,113 million sq.m.

Details of newly acquired land parcels in June 2021 are as follows:

City	Location	Group's Interest	Land-use Planning	Area of the Land Parcel (sq.m.)	Aggregate Planned GFA (sq.m.)	Average Land Cost (RMB/sq.m.)
Binzhou	Bincheng District	100%	Residential and Commercial	34,153	68,306	2,259
Rizhao	Economic Development Zone	100%	Residential and Commercial	145,268	356,875	1,765
Shanghai	Pudong New District	20%	Commercial	22,948	34,422	16,501
Shanghai	Songjiang District	100%	Residential and Commercial	47,022	103,448	16,849
Hefei	Baohu District	100%	Residential and Commercial	140,492	383,245	7,613
Chengdu	West High-tech Zone	100%	Residential and Commercial	65,340	98,010	5,700



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Scan the QR code in WeChat or search "中駿集團投資者關係小程序" (China SCE Investor Relations Mini Program) on WeChat bulletin board for the Group's latest development

#### Disclaimer:

This newsletter contains unaudited financial data and is intended solely for personal reference.

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## Latest News

### ***CLSA Reiterates BUY Recommendation for China SCE with an Unchanged Target Price of HKD4.80 per Share***

CLSA believes that China SCE's growing contracted sales and 'all-green' balance sheet should help fund its 100 FUNWORLD shopping malls target by 2025. CLSA says that as of end-1H2021, a total of 37 shopping malls are either operating or under construction and that China SCE is actively negotiating with local governments for more acquisitions. CLSA conservatively assumes that the remaining 63 projects will be evenly acquired and funded by China SCE's presale proceeds over the next 4.5 years. Furthermore, CLSA observes that China SCE's all green status (ie. passing all three leverage-related thresholds) allows it to increase its total debt by a maximum of 15% per year. CLSA considers China SCE's target to be financially feasible and achievable. CLSA believes that China SCE will be able to operate over 60 shopping malls by 2025 and estimates an annual rental income of around RMB4.5bn. CLSA points out that this will be a long-term earnings driver not only for China SCE but also its property management business. CLSA maintains BUY recommendation with a target price of HKD4.80 per share.

### ***Subsidiary of China SCE: SCE Intelligent Commercial Management Holdings Limited (Stock Code: 606.HK) Successfully Listed on the Main Board of the Hong Kong Stock Exchange with Trading of its Shares Commencing***

On 30 June 2021, SCE Commercial Management successfully obtained approval from Hong Kong Stock Exchange, and was listed on 2 July 2021. The offer price was determined at HKD3.70 per share with a total offering size of 500,000,000 shares, raising net proceeds of HKD1.77 billion (Based on the Offer Price of HKD3.70 per share, the net proceeds from the global offering to be received by SCE Commercial Management – after deducting the underwriting commissions and other expenses in connection with the global offering and assuming the over-allotment option is not exercised – is estimated to be approximately HKD1,767.9 million). Most of the net proceeds will be used to pursue strategic acquisition and investment in other property management companies and service providers; and to invest in technology to improve service quality, customer experience and engagement, and enhance SCE Commercial Management's operational efficiency.

SCE Commercial Management introduced four cornerstone investors, namely: ANTA Sports, Hengan International Group, Joeone and TX Capital. The four cornerstone investors agreed to subscribe for HKD543 million worth of shares, about 7.35% of the total offering (assuming an over-allotment option is not exercised).

After SCE Commercial Management successfully listed, its share price was up 8.11% upon its debut, which reflects strong market recognition. As of 31 December 2020, according to the prospectus, SCE Commercial Management had 104 commercial and residential projects under management with an aggregate GFA under management of approximately 16.2 million sq.m. (According to JLL, SCE Commercial Management's total GFA under management is ranked 15<sup>th</sup> among property management companies with commercial property management and operational services in China) and an aggregate contracted GFA of approximately 36.6 million sq.m. China SCE Group expects to have over 100 FUNWORLDS in operation or under construction by 2025 which will enable SCE Commercial Management to achieve more stable long-term growth.



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## Latest News

### ***FUNLIVE Awarded***

#### ***“2020-2021 Residential Property Leasing Industry Award”***

On 9 June 2021, “REIS The 5<sup>th</sup> Residential Property Leasing Industry Forum” (「第五屆地新引力峰會住房租賃論壇」) was organised by E-home CRIC in Shanghai. Through leveraging its brand development and comprehensive strengths, FUNLIVE received the “2020-2021 Residential Property Leasing Industry Award” (「2020-2021年度住房租賃行業聚力煥新獎」).

FUNLIVE, a long-term rental apartment brand under China SCE, was established in 2018. As of May 2021, project scale reached 30,000 rooms. FUNLIVE has a strong presence in first and second-tier cities in China, and plans to deploy 200,000 rooms nationwide in 5 years with the goal of achieving RMB10 billion and RMB60 billion in gross rental value and AUM of FUNLIVE Capital, respectively. FUNLIVE is committed to being a leading vertically integrated rental apartment operator and manager in China.



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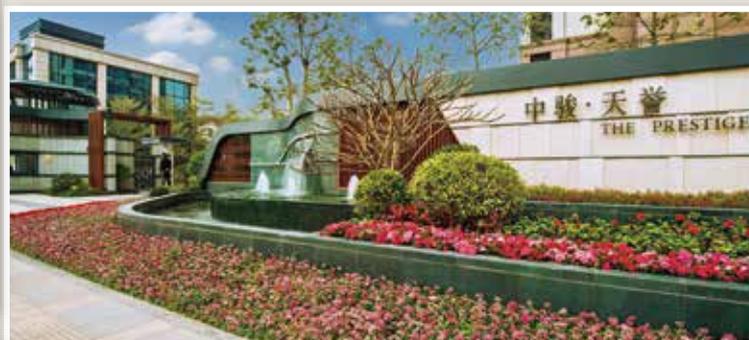
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