

# 2018 October Newsletter

---

## 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, property investment and property management. The Company is headquartered in Shanghai for its business operations, while implementing regional focused development strategy targeting the first- and second-tier cities in the Yangtze River Delta Economic Zone, the Bohai Rim Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area, the West Taiwan Strait Economic Zone and Central Western Region.



Scan this QR Code or search "SCE1966HK" in WeChat for the latest Company information

## Latest News

### Sales Overview

In October 2018, the Group together with its joint ventures and associates achieved a contracted sales amount of approximately RMB5.689 billion and a contracted sales area of 452,742 sq.m., representing a year-on-year increase of 144% and 243%, respectively. The average selling price for October 2018 was RMB12,566 per sq.m.

For the ten months ended 31 October 2018, the Group together with its joint ventures and associates achieved an accumulated contracted sales amount of approximately RMB39.221 billion and an accumulated contracted sales area of 3,102,744 sq.m., representing a year-on-year increase of 54% and 125%, respectively. The average selling price for the ten months ended 31 October 2018 was RMB12,641 per sq.m.

### Land Bank

As at 31 October 2018, the Group together with its joint ventures and associates owned a land bank with an aggregate planned GFA of approximately 22.77 million sq.m.

*Details of newly acquired land parcel in October 2018 are as follows:*

City	Group's Equity Interest	Land-use Planning	Area of the Land Parcel (sq.m.)	Aggregate Planned GFA (sq.m.)	Average Land Cost (RMB/sq.m.)
Linfen	70%	Residential	3,095	8,666	1,145

## Latest News



Scan this QR Code or search "SCE1966HK" in WeChat for the latest Company information

### *DBS Group Published a Research Report on China SCE*

On 18 October 2018, DBS Group published a research report on China SCE. DBS Group believed that China SCE would have a decent year-on-year presales growth of 35-43% for 2018, even if DBS Group expected China SCE might miss its presales target of RMB50 billion by 5-10% due to weakening market sentiment in the physical market and comparatively back-end loaded project launch schedule. DBS Group stated that the Group had fully locked-in its earnings for 2018 and 80% of 2019 earnings based on market consensus. With the potential inclusion of earnings from the presale of some completed projects in 2019, DBS Group believed downside risk to street estimates, if any, should be manageable.

DBS Group commented that in part due to the lower land premium paid, China SCE's net gearing ratio moderately improved and average borrowing cost dropped as at 30 June 2018 despite a tightening credit environment. As the Group believed there would be more attractive land acquisition opportunities in the slowing market, DBS Group expected that the Group's net gearing ratio would increase slightly by the end of 2018 but be kept within previously guided ceiling of 80% and average borrowing cost would head moderately higher in light of refinancing activities.

DBS Group estimated that China SCE was currently trading at a distressed valuation of 2.5 times forecasted 2019 P/E, which was substantially below that of the small cap average, and an attractive forecasted 2018 dividend yield of 9.2%. In fact, even if factoring in 20% downside in forecasted 2019 earnings, China SCE's valuation remained undemanding at 3.1 times. Despite the weak market sentiment in the near term, DBS Group believed China SCE's fundamentals should offer good support to its valuations over the longer term.



### ***Investor Relations Contact***

China SCE Group Holdings Limited

Ms. Doreen Chiu – Director of Investor Relations/  
Ms. Echo Zou – Investor Relations Manager

Tel (HK) : 852-2622 2049

Tel (SH) : 86-21-5263 6826

Fax : 852-2342 6643

Email : [ir@sce-re.com](mailto:ir@sce-re.com)

Mr. Paul Li – Financial Controller & Company Secretary

Tel : 852-2191 3960

Fax : 852-2342 6643

Email : [paulli@sce-re.com](mailto:paulli@sce-re.com)

Strategic Financial Relations Limited

Ms. Vicky Lee – Senior Director

Tel : 852-2864 4834

Fax : 852-2527 1196

Email : [vicky.lee@sprg.com.hk](mailto:vicky.lee@sprg.com.hk)