

# China / Hong Kong Industry Focus

## China Property Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity

23 Apr 2020

### Visible growth at undemanding valuation

- **Sector's FY20F/21F earnings growth remains impressive with the two years' revenue already c.60% locked-in**
- **Likely to beat targeted presales growth of 14%; decent recovery in the physical market yet to be priced in**
- **Sufficient landbank as key to outperform in 2020**
- **Shimao and Yuzhou are sector top picks given their accumulation of sufficient saleable resources in 2019 to potentially outperform in presales; We also like Aoyuan for its earnings upside from consensus estimates**

**Decent earnings growth backed by high visibility.** The market has revised down FY20/FY21F earnings by 7%/7% but their numbers would still translate into 24%/18% earnings growth, which is still stellar if compared to other sectors. Central China (832 HK), Aoyuan (3883 HK), Sunac (1918 HK), Powerlong (1238 HK), and Zhenro (6158 HK) are expected to deliver core earnings CAGR in FY19-21F as high as > 30%. Our data shows sector has locked in 60% of expected revenue for FY20-FY21F, with Zhongliang (2772 HK), KWG (1813 HK), Zhenro, Yuzhou (1628 HK), and Aoyuan enjoying the highest certainty of 80%+ lock in ratio. See page 3.

**Sufficient landbank is a key to outperform in 2020.** Developers have set more conservative presales growth target of c.14% y-o-y vs 2019's 28%, to be supported by 23% growth in saleable resources after reviewing their construction pace in March. We believe developers overall can achieve their targets. Developers' ratio of land bank (excluding GFA under construction) to planned new GFA starts was low at 1.76 years as at Dec-19 (vs 1.8/2.5 as at Dec-18/Dec-17). With the absence of land replenishment window in Feb and March, some developers may not have sufficient time to add new saleable resources within the year like they did in 2019. Those who bought more land in 2019, like Yuzhou and Shimao (813 HK), will have more certainty and ability to timely launch their saleable resources and catch the sales windows this year.

**Valuation lower now than 4Q18 when physical market was weak.** Although valuations have recovered from the trough of 3.9x FY20 PE, the sector is still trading at an undemanding 4.7x FY20 PE, which is lower than the 5.1x average PE in 4Q18 when the market was slow. We believe the market has more than priced in the potential slowdown in the economy and weakened property demand outlook. We believe the sector is likely to deliver above-targeted presales given recent market sentiment recovery and would lead a round of valuation re-rating. Yuzhou and Shimao are our top picks given their potential to outperform in presales. We also like Aoyuan as its earnings could surprise the market on the upside, alongside its Guangzhou redevelopment project conversion in May as a near term catalyst.

HSI: 23,893

#### ANALYST

Danielle WANG CFA, +852 36684176 danielle\_wang@dbs.com

Ken HE CFA, +86 2138968221 ken\_he@dbs.com

Jason LAM +852 36684179 jasonlamch@dbs.com

#### Recommendation & valuation

	Price HK\$	Target Price HK\$	Rec	Mkt Cap US\$bn	FY20F PE x
Shimao Property (813 HK)	30.40	30.03	BUY	13.6	7.2
Yuzhou Properties (1628 HK)	3.15	4.58	BUY	2.1	3.1
China Aoyuan (3883 HK)	8.81	14.42	BUY	3.1	3.4

Source: Thomson Reuters, DBS Bank (Hong Kong) Limited ("DBS HK")



Live more, Bank less

## Earnings revisions – still expecting decent earnings growth of 24%/18% for FY20/FY21F after cuts made subsequent to FY19 result announcements

FY19 earnings were 9% below expectations on average; market has revised down FY20/21F earnings by 7% and 7% to factor in 5% and 4% lower revenue and 0.26ppts and 0.34ppts lower core net profit margins respectively

Companies	FY19A earnings vs. Consensus estimates	FY20 earnings revision after results	FY21 earnings revision after results	FY19A revenue vs. Consensus estimates	FY20 revenue revision after results	FY21 revenue revision after results	FY19 NPM vs. expectations	FY20 NPM revision after results	FY21 NPM revision after results	FY20 earnings growth	FY21 earnings growth
COLI	-12%	-13%	-13%	-15%	-16%	-14%	0.62	0.84	0.05	17%	15%
CR Land	-7%	-11%	-11%	-1%	-2%	-3%	(0.85)	(1.38)	(1.26)	14%	17%
China Jinmao	-4%	-6%	-6%	-17%	-12%	-9%	1.86	0.81	0.48	24%	26%
Shimao	-4%	-6%	-2%	-2%	-2%	6%	(0.24)	(0.37)	(0.68)	24%	23%
Agile	-19%	-11%	-13%	-8%	-7%	-6%	(1.40)	(0.41)	(0.80)	27%	13%
Central China	-14%	2%	-9%	17%	3%	-3%	(1.61)	(0.07)	(0.41)	77%	23%
Country Garden	-3%	-5%	-8%	0%	-2%	-2%	(0.31)	(0.29)	(0.51)	12%	13%
COGO	-9%	2%	13%	-20%	-18%	-4%	1.36	2.10	1.66	35%	19%
Longfor	-5%	-3%	-2%	3%	2%	1%	(0.85)	(0.54)	(0.39)	24%	20%
KWGW	3%	2%	11%	34%	15%	14%	(6.22)	(2.73)	(0.60)	24%	33%
R&F	-27%	-22%	-22%	-12%	-10%	-13%	(2.07)	(1.54)	(1.17)	26%	14%
Yuexiu	16%	8%	20%	6%	5%	3%	0.78	0.22	1.19	15%	16%
Sunac	-15%	-5%	-5%	-12%	-7%	-7%	(0.42)	0.38	0.30	43%	22%
Yuzhou	-1%	-10%	-2%	-24%	-15%	-8%	4.07	0.80	0.87	14%	17%
China Aoyuan	-2%	0%	1%	-1%	0%	3%	(0.11)	(0.02)	(0.15)	52%	29%
Powerlong	-2%	15%	16%	-1%	4%	2%	(0.08)	1.10	1.24	42%	27%
CFI	-1%	-5%	-6%	-2%	-3%	-4%	0.06	(0.31)	(0.27)	19%	21%
Vanke	-9%	-5%	-4%	-5%	-5%	-2%	(0.48)	0.03	(0.26)	21%	14%
Logan	2%	2%	4%	-6%	-3%	0%	1.38	0.83	0.61	24%	21%
Seazen	-6%	-11%	-12%	4%	7%	1%	(0.86)	(1.35)	(0.96)	29%	16%
Times China	5%	-3%	-6%	-2%	-6%	-6%	0.93	0.36	(0.06)	16%	19%
Ronshine	-14%	-21%	-22%	1%	-10%	-12%	(1.06)	(0.94)	(0.80)	28%	20%
Zhenro	-26%	-24%	-25%	-7%	-14%	-19%	(1.80)	(1.08)	(0.65)	36%	26%
<b>Average</b>	<b>-9%</b>	<b>-7%</b>	<b>-7%</b>	<b>-4%</b>	<b>-5%</b>	<b>-4%</b>	<b>(0.54)</b>	<b>(0.26)</b>	<b>(0.34)</b>	<b>24%</b>	<b>18%</b>

Source: Companies, DBS HK

**Revenue lock-in ratio: Developers have locked-in c.60% of their FY20+FY21F revenue as at Dec-19. Of which, Zhongliang, KWG and Zhenro locked in >80% of their FY20-FY21F revenue combined. Meanwhile, Agile, Yanlord and Times had the lowest lock-in ratios.**

Company	Stock code	Consolidated unbooked sales (Rmb m)	FY20F+FY21F revenue estimate (Rmb m)	Lock-in ratio (%)
Zhongliang	2772 HK	150,000	150,411	99.7%
KWG^	1813 HK	63,000	69,248	91.0%
Zhenro	6158 HK	70,000	83,801	83.5%
Yuzhou*	1628 HK	49,500	59,506	83.2%
China Aoyuan*^	3883 HK	136,400	172,664	79.0%
Central China*	832 HK	64,500	84,725	76.1%
Sino Ocean*	3377 HK	95,000	126,322	75.2%
China Jinmao*	817 HK	100,000	138,509	72.2%
Sunac	1918 HK	370,000	529,021	69.9%
COLI*	688 HK	275,300	393,787	69.9%
CG*	2007 HK	715,800	1,060,825	67.5%
Vanke*	2202 HK	609,100	924,323	65.9%
China SCE	1966 HK	45,000	68,401	65.8%
Greentown	3900 HK	92,000	140,211	65.6%
CR Land*	1109 HK	224,000	353,288	63.4%
Yuexiu*	123 HK	60,700	99,445	61.0%
Kaisa	1638 HK	80,000	136,665	58.5%
Ronshine	3301 HK	75,000	140,704	53.3%
CIFI	884 HK	80,000	157,338	50.8%
Longfor*	960 HK	200,000	399,408	50.1%
SZI	604 HK	18,100	40,997	44.1%
Shimao*	813 HK	140,000	321,928	43.5%
Powerlong	1238 HK	34,800	80,859	43.0%
Poly(HK)	119 HK	30,000	69,996	42.9%
R&F	2777 HK	96,000	238,636	40.2%
Evergrande*	3333 HK	450,000	1,156,533	38.9%
Times	1233 HK	44,000	113,747	38.7%
Yanlord*	YLLG SP	14,067	52,233	26.9%
Agile*	3383 HK	37,000	173,238	21.4%
<b>Average</b>				<b>60.0%</b>

^Attributable basis

\*Companies under our coverage

Source: Companies, DBS HK

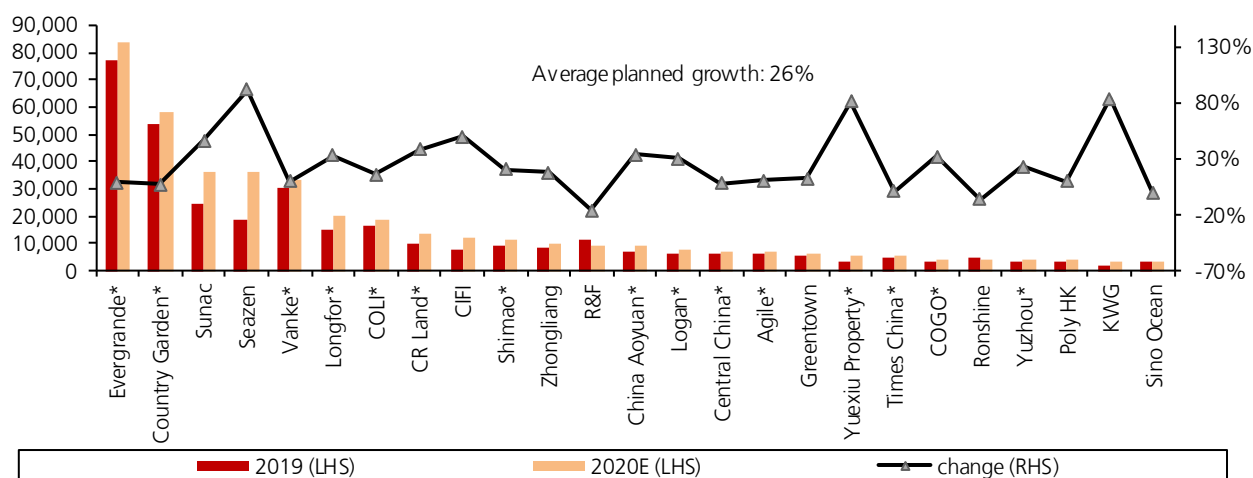
**Completion split 1H:2H: Developers are generally targeting a more conservative 1H:2H completion split at 33% (1H19 lock-in: 40%) to take into account of the potential delays from COVID-19.**

Company	Stock code	2020 target completion split		1H19 revenue split
		1H	2H	
Evergrande*	3333 HK	40	60	48%
Times	1233 HK	40	60	38%
China Aoyuan*	3883 HK	40	60	47%
Powerlong	1238 HK	40	60	47%
Fantasia	1777 HK	33	67	45%
R&F	2777 HK	33	67	39%
Yuzhou*	1628 HK	31	69	50%
Agile*	3383 HK	30	70	45%
Central China*	832 HK	30	70	29%
Greentown	3900 HK	30	70	30%
CIFI	884 HK	30	70	37%
Zhongliang	2772 HK	30	70	36%
Longfor*	960 HK	26	74	26%
Yanlord*	YLLG SP	25	75	41%
<b>Average</b>		<b>33</b>	<b>67</b>	<b>40%</b>

\*Companies under our coverage

Source: Company, DBS HK

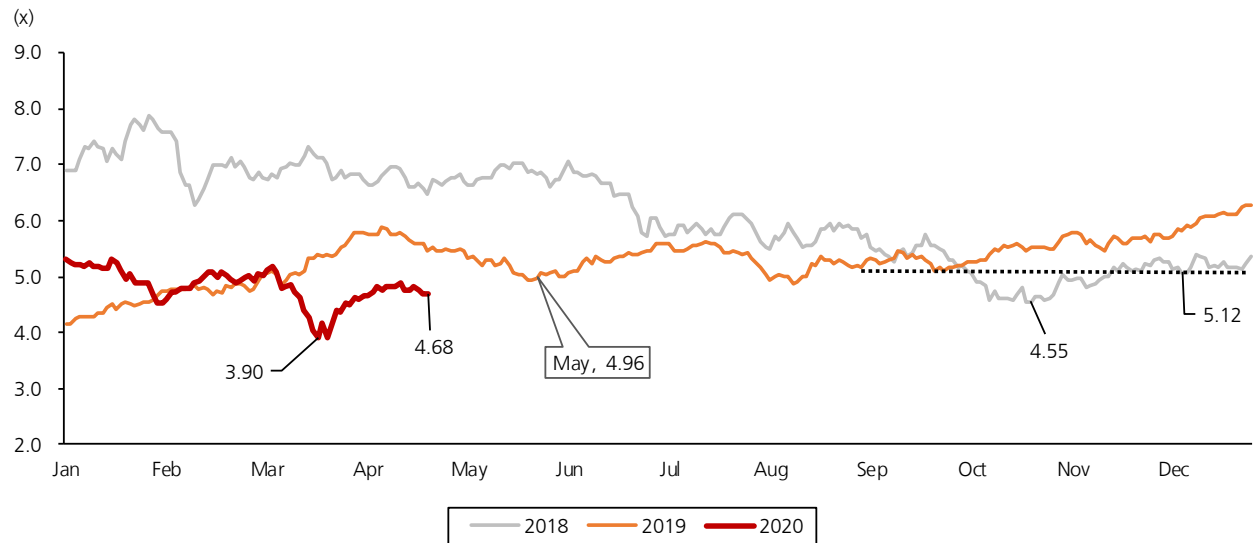
**Completion targets in 2020F and 2019A: Developers guiding for c.26% growth (simple-average) in GFA completions in FY20F versus c.41% achieved in FY19. Seazen, KWG and Yueshi are guiding for highest GFA completions of >80%.**



\*Companies under our coverage

Source: Company, DBS HK

Valuation lower than 4Q18 average PE when physical market was weak



Source: Company, DBS HK

## Landbanking pace to remain fast, with most trying to maintain or increase their attributable interest levels

Landbank for future developments/planned GFA new starts: Average land held for future developments as at Dec-19 has fallen further by another 0.03 years to 1.76 years from Dec-18, a modest magnitude of decline compared to the difference between 2017 to 2018 (0.7 years). However, we do not anticipate the ratio to fall much further, as we expect developers to maintain their current pace of land acquisitions going forward in order to maintain a decent level of saleable resources at hand for future developments.

Years		Land for future development by end-18 over 2019E	Land for future development by end-19 over 2020E new start	Change
KWG*	1813 HK	1.5	3.4	1.9
Agile	3383 HK	1.6	2.9	1.4
Poly (HK)	119 HK	2.8	2.7	(0.1)
Sunac	1918 HK	2.7	2.6	(0.1)
Sino Ocean	3377 HK	2.6	2.5	(0.1)
R&F*	2777 HK	2.2	2.3	0.1
CG*	2007 HK	2.2	2.2	(0.1)
Yuzhou	1628 HK	2.3	2.1	(0.2)
Vanke	2202 HK	1.8	2.0	0.3
CIFI	884 HK	1.1	1.9	0.9
Evergrande	3333 HK	2.2	1.9	(0.3)
CCRE	832 HK	2.1	1.7	(0.4)
Greentown	3900 HK	1.2	1.4	0.2
Longfor	960 HK	1.6	1.3	(0.2)
Times	1233 HK	0.9	1.3	0.4
Aoyuan	3883 HK	1.6	1.2	(0.4)
COGO	81 HK	1.8	1.1	(0.7)
Logan*	3380 HK	2.4	1.1	(1.3)
Shimao	813 HK	1.6	1.1	(0.5)
Yuexiu	123 HK	1.4	1.1	(0.3)
COLI	688 HK	1.0	0.5	(0.5)
CR Land	1109 HK	1.0	0.3	(0.6)
		<b>1.79</b>	<b>1.76</b>	<b>(0.0)</b>

\*Attributable basis

Source: Company, DBS HK

## Land acquisition growth targets

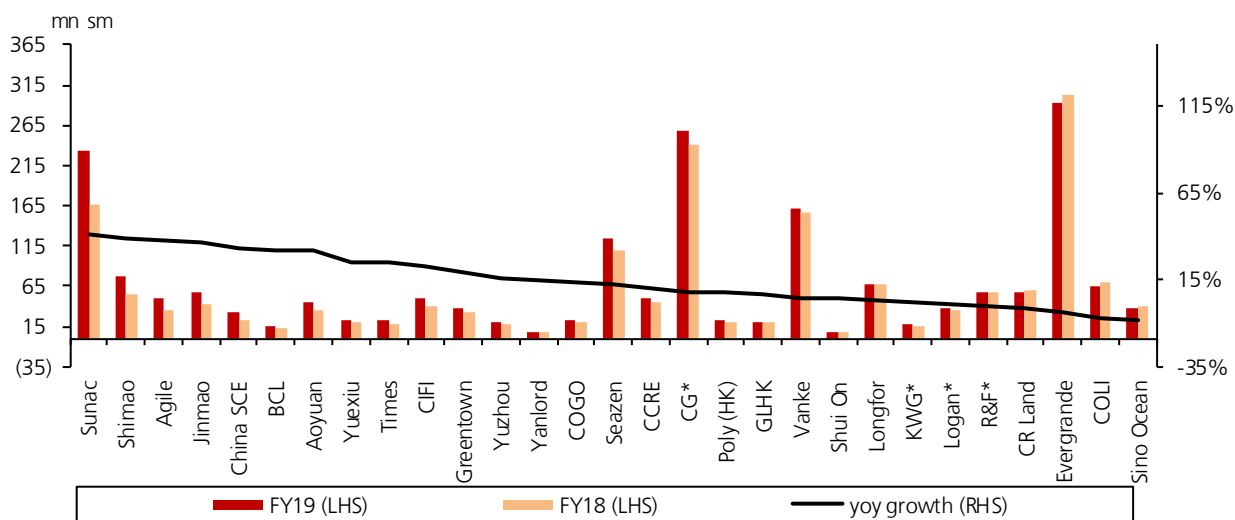
Rmb mn		2019 actual land acquisition	2020 expected land acquisition	Land acquisition growth
123 HK	Yuxiu Property*	19,400	30,000	55%
3900 HK	Greentown	49,100	74,200	51%
3301 HK	Ronshine	14,100	20,000	42%
3883 HK	China Aoyuan*	28,860	37,000	28%
1966 HK	China SCE	26,500	32,000	21%
1628 HK	Yuzhou*	23,300	28,000	20%
YLLG SP	Yanlord*	2,500	2,953	18%
2007 HK	Country Garden*	145,480	160,000	10%
1233 HK	Times China*	21,300	23,200	9%
6158 HK	Zhenro	25,000	26,500	6%
884 HK	CIFI	55,000	57,000	4%
813 HK	Shimao*	96,900	100,000	3%
2772 HK	Zhongliang	50,200	51,300	2%
119 HK	Poly HK	19,700	20,000	2%
3377 HK	Sino Ocean	29,900	30,000	0%
960 HK	Longfor*	83,000	80,000	-4%
3383 HK	Agile*	38,500	35,500	-8%
832 HK	Central China*	23,600	20,000	-15%
3333 HK	Evergrande*	133,400	90,000	-33%
1813 HK	KWGF#	20,500	7,100	n.a.
2777 HK	R&F#	39,000	9,000	n.a.
1918 HK	Sunac#	122,600	28,000	n.a.
817 HK	China Jinmao*#	52,100	7,900	n.a.
604 HK	SZI	3,600	n.a.	n.a.
3380 HK	Logan*	40,600	n.a.	n.a.
<b>Average</b>				<b>11%</b>

\*Companies under our coverage

#Haven't factored in landbanking budget

Source: Company, DBS HK

**Landbank in terms of GFA: Developers have expanded their landbank by c.15% on average as at Dec-19. Sunac posted the highest growth in terms of landbank scale, followed by Shimao and Agile. Sino-Ocean, COLI and Evergrande recorded larger declines in landbank during the period.**

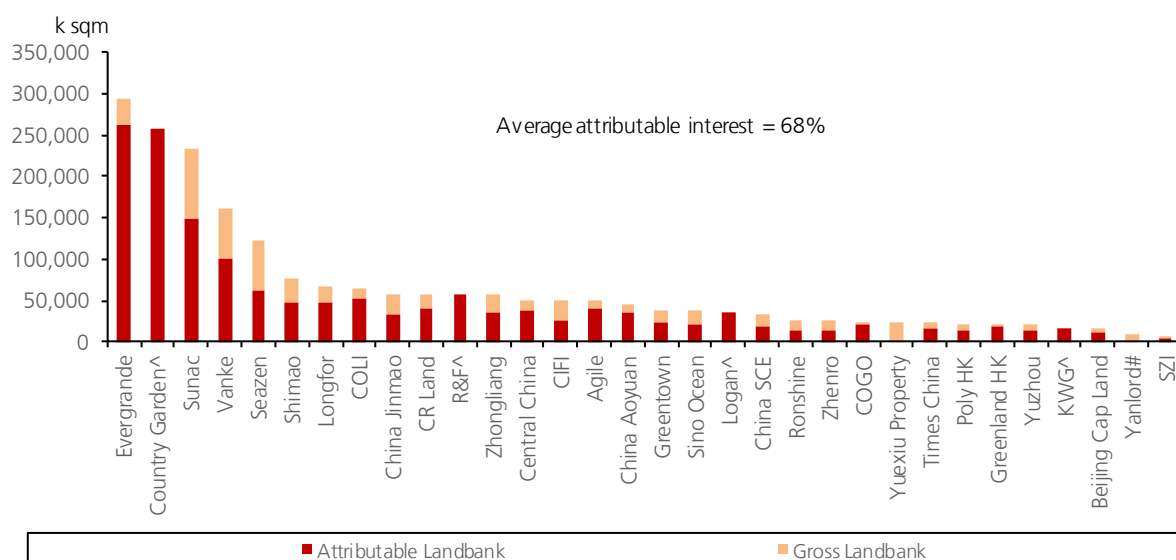


\*Attributable Landbank GFA

#Only attributable GFA provided

Source: Company, DBS HK

**Total landbank and attributable landbank: Average attributable landbank interest for the sector as at Dec-19 increased slightly to c.68% (Dec-18: 66%). With more developers looking to increase their attributable interest levels, we expect the ratio to gradually pick up going forward.**



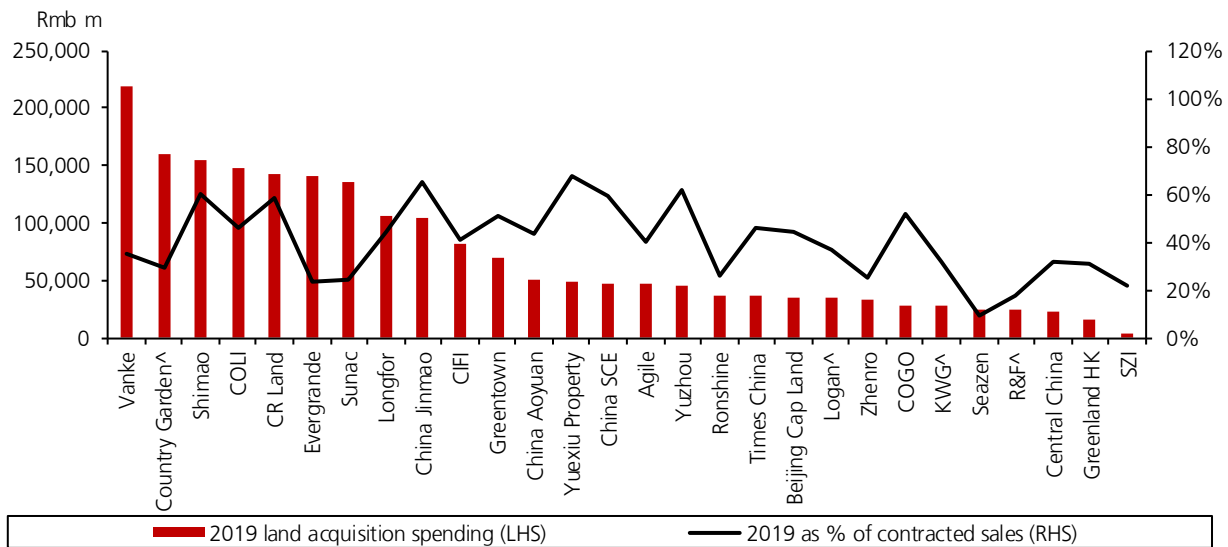
#Only gross GFA provided

^Only attributable GFA provided

Source: Company, DBS HK



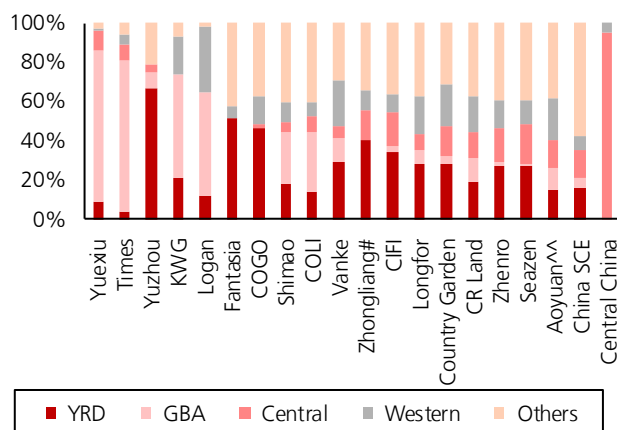
**Developers' land acquisitions:** Developers have generally spent c.36% more on land acquisitions in 2019 due to: 1) higher land costs; and 2) better credit environment both on- and offshore. In 2019, developers had spent 43% of their presales proceeds on land acquisitions (2018: 42%), with Poly HK, Yuexiu, Yuzhou and Shimao spending the highest portion of their presales on land resources.



*^Only attributable land acquisition cost provided*

*Source: Company, DBS HK*

Land acquisitions by major economic zones

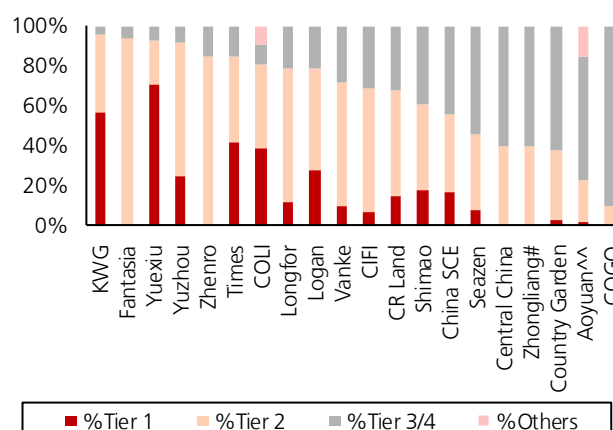


^^calculated by attributable GFA

#calculated by total land acquisition consideration

Source: Company, DBS HK

Land acquisitions by city tiers

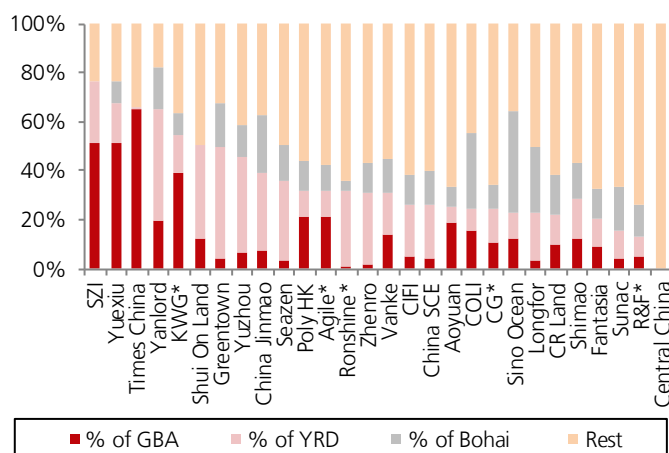


^^calculated by attributable GFA

#calculated by total land acquisition consideration

Source: Company, DBS HK

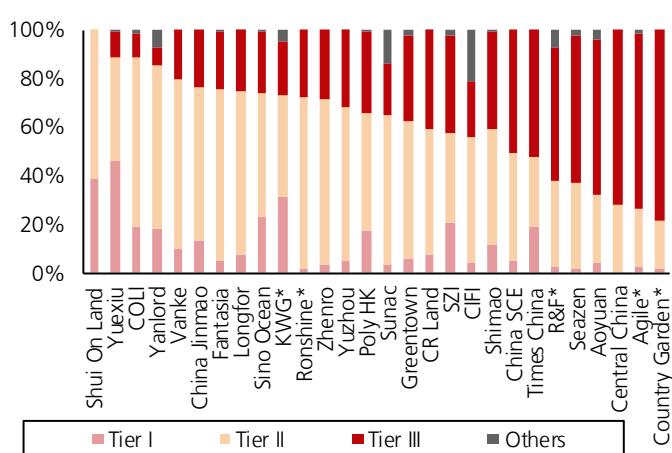
Land bank by major economic zones



\*Only attributable GFA is provided

Source: Company, DBS HK

Land bank by city tiers



\*Only attributable GFA is provided

Source: Company, DBS HK

## Contracted sales outlook

**Contracted sales growth.** Developers have generally tuned down their 2020 presales growth targets as property sales activities were affected and construction pace slowed due to the COVID-19 outbreak. Preliminary guided targets of 15-20% were cut to c.14% on a simple average basis.

Company	Actual growth 2018	Actual growth 2019	Targeted growth 2020
YLLG SP Yanlord*	-5%	120%	35%
1628 HK Yuzhou*	39%	34%	33%
3900 HK Greentown China	-2%	34%	33%
817 HK China Jinmao*	85%	26%	24%
1238 HK Powerlong	96%	47%	24%
2868 HK Beijing Cap Land	26%	14%	24%
119 HK Poly HK	8%	6%	20%
1813 HK KWG	72%	31%	20%
1966 HK China SCE	54%	57%	16%
813 HK Shimao*	75%	48%	15%
884 HK CIFI	46%	32%	15%
3380 HK Logan*	65%	34%	15%
1638 HK Kaisa	57%	26%	14%
337 HK Greenland HK	26%	28%	14%
688 HK COLI*	25%	31%	12%
3883 HK China Aoyuan*	100%	29%	12%
81 HK COGO*	30%	22%	12%
832 HK Central China*	77%	34%	11%
123 HK Yuexiu Property*	41%	25%	11%
2772 HK Zhongliang	56%	50%	10%
2007 HK Country Garden*	31%	10%	10%
2777 HK R&F	60%	5%	10%
3301 HK Ronshine	143%	16%	9%
3333 HK Evergrande*	10%	9%	8%
1109 HK CR Land*	38%	15%	8%
1918 HK Sunac	27%	21%	8%
960 HK Longfor*	29%	21%	7%
6158 HK Zhenro	54%	21%	7%
1233 HK Times China*	46%	29%	6%
3383 HK Agile*	14%	15%	2%
3377 HK Sino Ocean	55%	19%	0%
1030 HK Seazen	75%	22%	-8%
2202 HK Vanke*	15%	4%	n.a.
604 HK SZI	43%	2%	n.a.
<b>Average</b>	<b>47%</b>	<b>28%</b>	<b>14%</b>

\*Companies under our coverage

Source: Company, DBS HK

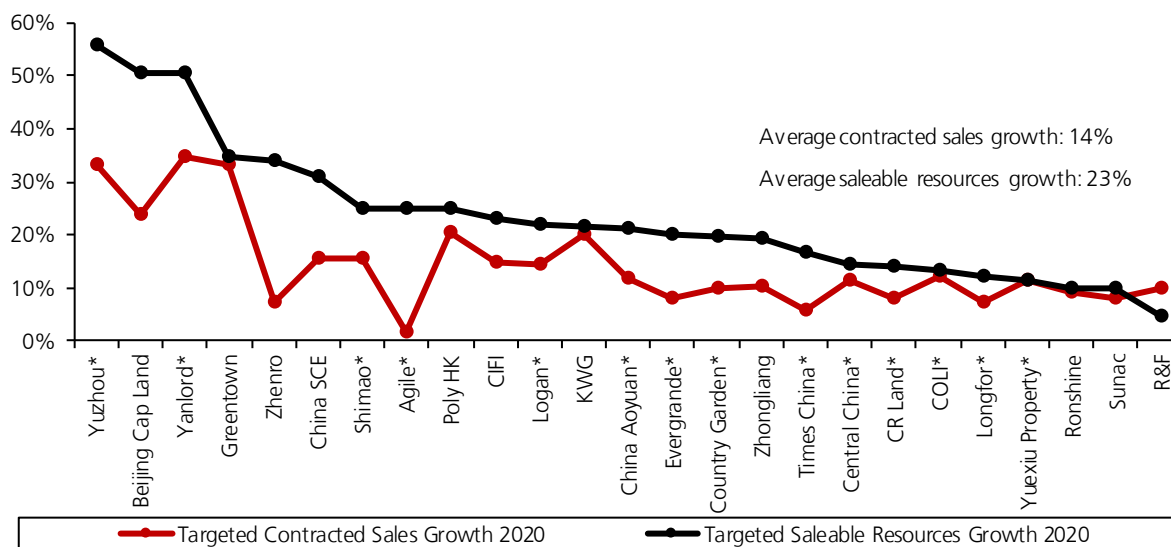
## 1Q20 lock-in ratio and y-o-y growth

Companies	Stock Code	Targeted growth	3M20 yoy growth	3M20 lock-in	3M19 lock-in
<b>Large cap</b>					
COLI	688 HK	12%	-12%	19%	21%
CR Land	1109 HK	8%	-24%	16%	21%
Country Garden	2007 HK	10%	-16%	18%	22%
Evergrande	3333 HK	8%	23%	25%	20%
Longfor	960 HK	7%	-14%	17%	18%
Sunac	1918 HK	8%	-23%	11%	14%
Shimao	813 HK	15%	-9%	18%	16%
<b>Large cap average (weighted average)</b>		<b>10%</b>	<b>-8%</b>	<b>16%</b>	<b>19%</b>
<b>Large cap average (simple average)</b>		<b>10%</b>	<b>-11%</b>	<b>18%</b>	<b>19%</b>
<b>Mid cap</b>					
Agile	3383 HK	2%	-38%	14%	21%
Aoyuan	3883 HK	12%	-24%	13%	16%
BJ Cap Land	2868 HK	24%	-46%	9%	17%
China Jinmao Hldgs	817 HK	24%	-8%	18%	18%
CIFI	884 HK	15%	-35%	12%	17%
Seazen	1030 HK	-8%	-34%	11%	17%
R&F	2777 HK	10%	-33%	10%	18%
Kaisa Group	1638 HK	13%	-17%	13%	16%
KWG	1813 HK	20%	-16%	15%	18%
Logan	3380 HK	15%	-7%	19%	18%
Times	1233 HK	6%	-11%	17%	18%
Sino-Ocean	3377 HK	0%	-30%	11%	17%
Yuexiu	123 HK	11%	-36%	13%	20%
<b>Mid cap average (weighted average)</b>		<b>9%</b>	<b>-27%</b>	<b>12%</b>	<b>18%</b>
<b>Mid cap average (simple average)</b>		<b>11%</b>	<b>-26%</b>	<b>14%</b>	<b>18%</b>
<b>Small cap</b>					
Greentown	3900 HK	33%	-6%	14%	13%
CCRE	832 HK	11%	31%	17%	11%
SCE	1966 HK	16%	-18%	18%	20%
COGO*	81 HK	12%	-5%	16%	15%
Zhongliang	2772 HK	10%	-25%	14%	16%
Greenland HK	337 HK	14%	-58%	13%	32%
Zhenro	6158 HK	7%	-29%	14%	19%
Poly HK	119 HK	20%	-26%	13%	17%
Powerlong	1238 HK	24%	-25%	16%	18%
Yuzhou	1628 HK	33%	-6%	15%	15%
Yanlord	YLLG SP	35%	28%	16%	11%
<b>Small cap average (weighted average)</b>		<b>19%</b>	<b>-19%</b>	<b>11%</b>	<b>17%</b>
<b>Small cap average (simple average)</b>		<b>20%</b>	<b>-13%</b>	<b>15%</b>	<b>17%</b>
<b>Overall (weighted average)#</b>		<b>11%</b>	<b>-15%</b>	<b>14%</b>	<b>18%</b>
<b>Overall (simple average)#</b>		<b>14%</b>	<b>-18%</b>	<b>15%</b>	<b>18%</b>

\*2019 presales converted under RMB/HKD of 1.1

Source: Company, DBS HK

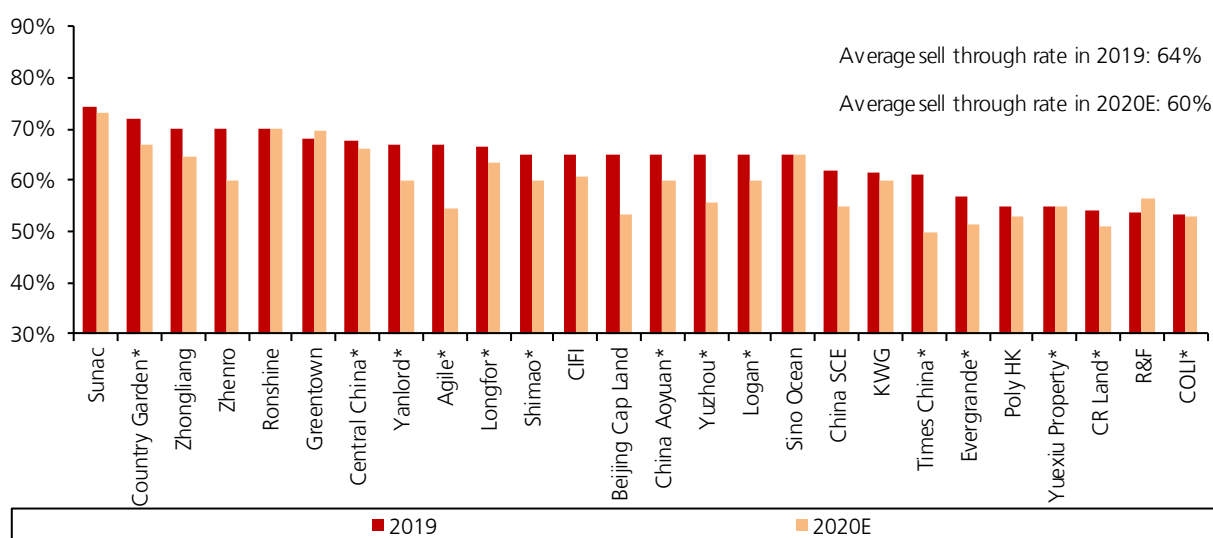
**Saleable resources growth: Yuzhou, BJ Capital Land, Yanlord, GT, Zhenro and SCE have planned for over 30% growth in saleable resources. R&F, Sunac and Ronshine have the slowest growth rates**



\*Companies under our coverage

Source: Company, DBS HK

**Sell-through rates: The average sell-through rate in 2019 stood at 64%, the same as in 2018, but higher than the original target of c.60% unveiled in early 2019. For 2020, developers generally hold a cautiously optimistic view on the physical market, and thus have a lower targeted sell-through rate of 60% on average for the year. Amid the strong recovery in the physical market so far, we believe there is decent chance for developers to exceed their relatively conservative sell-through targets**



\*Companies under our coverage

Source: Company, DBS HK

**Inventory level as at Dec-19 vs Dec-18: Inventory level largely stable at 7.3 months (vs 7.2 months as at Dec 2018)**

Rmb mn		2018 carried forward saleable	no. of mths	2019 carried forward saleable	no. of mths	2018 presales	2019 presales
604 HK	SZI	15,547	11.3	19,202	13.7	16,453	16,798
2777 HK	R&F	120,000	11.0	120,000	10.4	131,056	138,190
1109 HK	CR Land*	123,733	7.0	206,574	10.2	210,681	242,500
123 HK	Yuexiu Property*	34,217	7.1	58,999	9.8	57,783	72,110
119 HK	Poly HK	34,200	10.1	35,345	9.8	40,800	43,200
3333 HK	Evergrande*	440,000	9.6	453,461	9.1	551,340	601,100
688 HK	COLI*	250,873	11.5	230,000	8.6	261,948	320,590
1233 HK	Times China	40,397	8.0	50,099	7.7	60,595	78,360
1813 HK	KWG	44,498	8.2	53,904	7.5	65,502	86,107
1966 HK	China SCE	33,642	7.9	49,339	7.4	51,358	80,501
1628 HK	Yuzhou*	28,397	6.1	40,447	6.5	56,003	75,115
884 HK	CIFI	79,993	6.3	108,017	6.5	152,007	200,602
3380 HK	Logan*	30,000	5.0	51,704	6.5	71,803	96,022
3377 HK	Sino Ocean*	72,800	8.0	70,000	6.5	109,510	130,000
3883 HK	China Aoyuan*	49,151	6.5	63,571	6.5	91,280	118,060
813 HK	Shimao*	94,850	6.5	139,930	6.5	176,150	260,070
960 HK	Longfor*	100,000	6.0	122,500	6.1	200,643	242,500
3383 HK	Agile*	68,833	8.0	58,230	5.9	102,670	117,970
YLLG SP	Yanlord	13,621	6.5	27,436	5.9	25,296	55,704
832 HK	Central China*	25,000	5.6	34,300	5.7	53,750	71,800
3900 HK	Greentown	73,600	5.6	63,529	5.6	156,400	135,000
2202 HK	Vanke*	200,050	4.0	249,160	4.7	606,950	630,840
2007 HK	Country Garden*	153,800	3.7	212,900	4.6	501,880	552,200
1918 HK	Sunac	178,200	4.6	190,600	4.1	460,830	556,200
<b>Average</b>			<b>7.2</b>		<b>7.3</b>		

\*Companies under our coverage

Source: Company, DBS HK

**FY20F new starts vs FY19A and FY18A: Factoring in potential construction delays from COVID-19 outbreak, target GFA new starts is expected to post a flattish 4% for FY20F subsequently after a slight decline in GFA new started back in FY19.**

### Construction capex

New start (k sm)	Company	2018	2019	2019 yoy growth	2020E	2020 planned yoy growth
2007 HK	Country Garden*	77,060	70,000	-9%	50,000	-29%
3333 HK	Evergrande*	75,670	65,130	-14%	90,000	38%
1918 HK	Sunac	45,680	51,250	12%	58,400	14%
2202 HK	Vanke*	49,928	42,411	-15%	29,212	-31%
813 HK	Shimao*	17,710	23,280	31%	31,500	35%
688 HK	COLI*	23,750	21,570	-9%	24,000	11%
2772 HK	Zhongliang	18,000	20,000	11%	21,500	8%
1109 HK	CR Land*	20,510	19,430	-5%	18,710	-4%
832 HK	Central China*	13,620	14,980	10%	15,000	0%
3883 HK	China Aoyuan*	9,620	14,495	51%	18,500	28%
2777 HK	R&F	22,000	13,320	-39%	11,000	-17%
884 HK	CIFI	17,000	13,000	-24%	10,700	-18%
3380 HK	Logan*	10,037	12,240	22%	14,000	14%
3900 HK	Greentown	9,260	9,340	1%	10,040	7%
81 HK	COGO*	5,400	8,400	56%	8,500	1%
3383 HK	Agile*	12,400	7,740	-38%	9,110	18%
3377 HK	Sino Ocean	7,400	7,500	1%	7,000	-7%
123 HK	Yuexiu Property*	5,930	6,900	16%	6,950	1%
1233 HK	Times China*	5,100	6,730	32%	7,800	16%
1628 HK	Yuzhou*	3,940	5,160	31%	6,040	17%
119 HK	Poly HK	4,076	4,210	3%	4,300	2%
1813 HK	KWG	5,400	3,420	-37%	1,610	-53%
604 HK	SZI	795	1,180	49%	1,800	52%
<b>Total</b>		<b>460,286</b>	<b>441,686</b>	<b>-4%</b>	<b>455,672</b>	<b>3%</b>

\*Companies under our coverage  
Source: Company, DBS HK

Rmb mn		2019 Actual	2020 Target	Growth
YLLG SP	Yanlord*	5,200	8,575	65%
3900 HK	Greentown	23,900	35,500	49%
1109 HK	CR Land*	66,300	93,400	41%
817 HK	China Jinmao*	13,300	18,600	40%
1918 HK	Sunac#	83,500	106,800	28%
813 HK	Shimao*	56,300	72,000	28%
3383 HK	Agile*	26,900	34,100	27%
832 HK	Central China*	20,530	26,000	27%
3380 HK	Logan*	20,000	25,000	25%
1966 HK	China SCE	10,500	13,000	24%
119 HK	Poly HK	10,700	13,000	21%
884 HK	CIFI	24,000	29,000	21%
1628 HK	Yuzhou*	15,800	19,000	20%
6158 HK	Zhenro	12,000	14,300	19%
3301 HK	Ronshine	14,200	16,000	13%
123 HK	Yuexiu Property*	12,610	14,000	11%
3883 HK	China Aoyuan*	37,980	42,100	11%
960 HK	Longfor*	68,000	75,000	10%
1813 HK	KWG	16,800	18,500	10%
2777 HK	R&F	40,000	43,000	8%
1233 HK	Times China*	10,100	10,800	7%
2772 HK	Zhongliang	29,600	31,600	7%
3333 HK	Evergrande*	209,000	220,000	5%
3377 HK	Sino Ocean	35,000	35,000	0%
604 HK	SZI	6,000	6,000	0%
2007 HK	Country Garden*	308,230	280,000	-9%
<b>Average</b>				<b>19%</b>

\* Companies under our coverage  
Source: Companies, DBS HK

Physical market: Good signs of recovery so far with a better picture vs. 2008

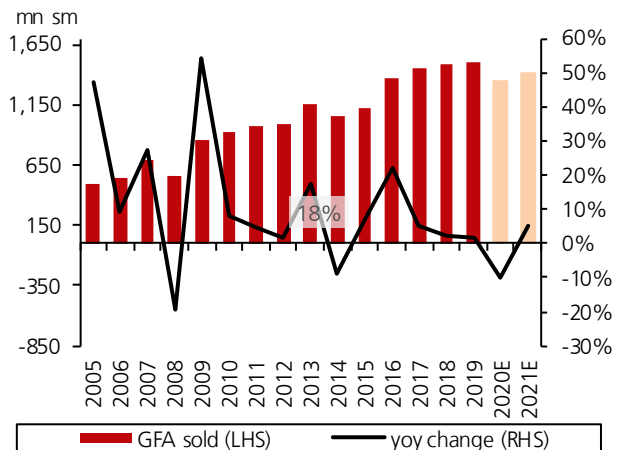
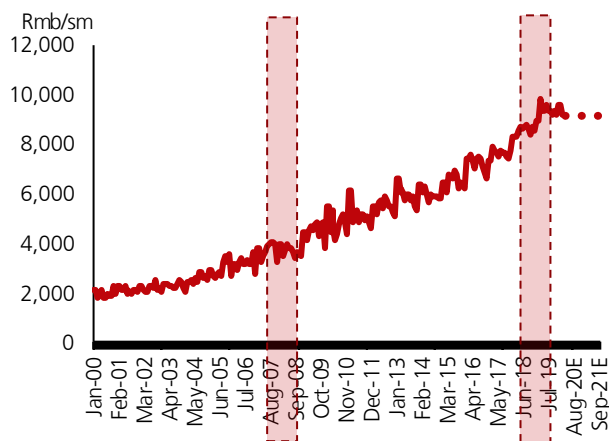
### Scenario analysis on 2020 physical market performance

Scenarios	Jan+Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Scenario 1</b>												
No further new cases by April-20												
y-o-y change (%)	-39%	-30%	-20%	0%	0%	5%	5%	5%	5%	5%	5%	-5%
<b>Scenario 2</b>												
No further new cases by Jul-20												
y-o-y change (%)	-39%	-40%	-40%	-30%	-20%	0%	0%	5%	5%	5%	5%	-12%

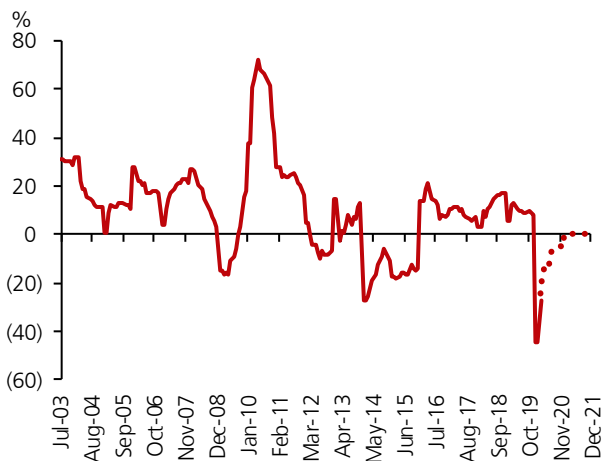
Source: DBS HK

**Residential ASP: Price cap policies remains in place despite various loosening measures on the local level; expects a stable property price ahead**

**Residential GFA: GFA sales is expected to decline by 5-10% in 2020, which will then be followed by a rebound in 2021**



**GFA new start: Decline of GFA new starts have already showed signs of recovery from -45% y-o-y in 2M20 to -27% in 3M20.**

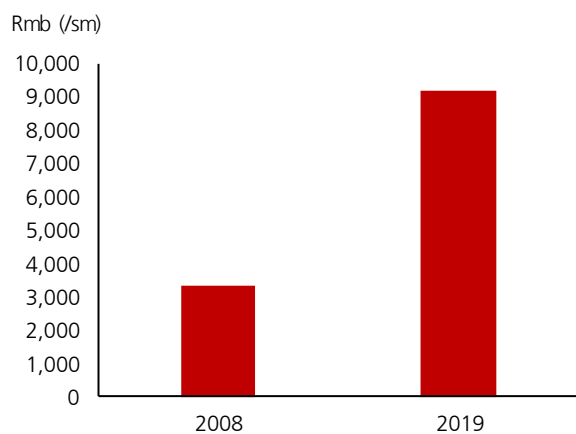


Sources: NBS, DBS HK

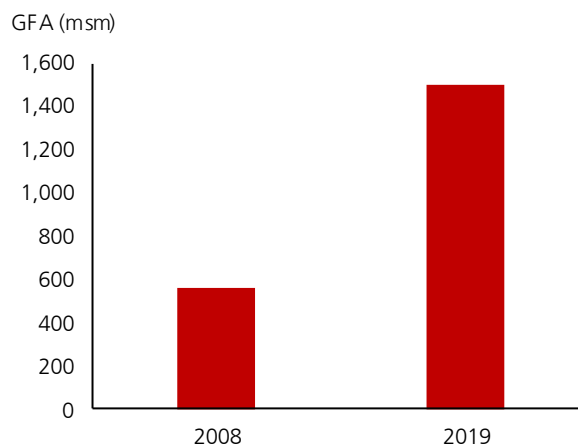


Key physical market metrics in 2008 vs 2020YTD

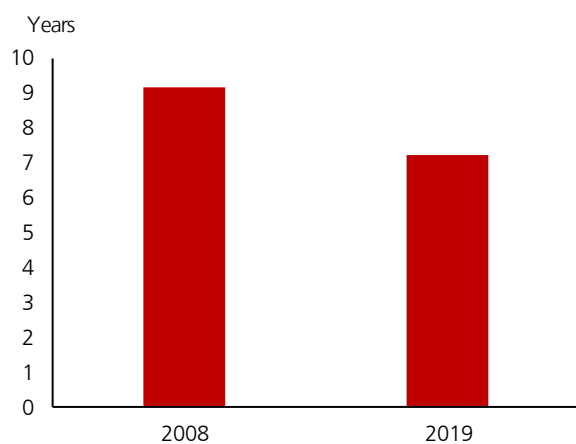
Property price is 1.7x higher than in 2008



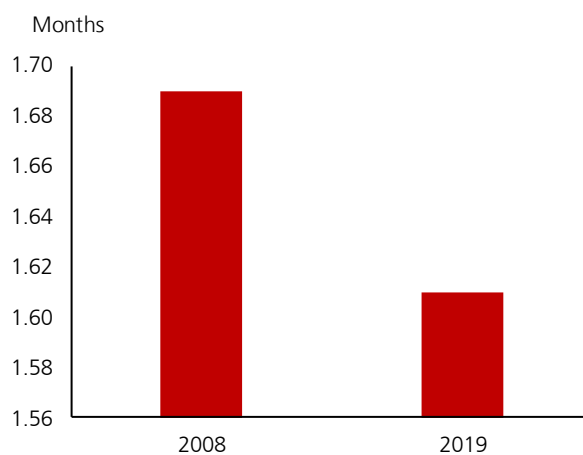
Market size is 1.7x of that in 2008



Affordability is better than in 2008



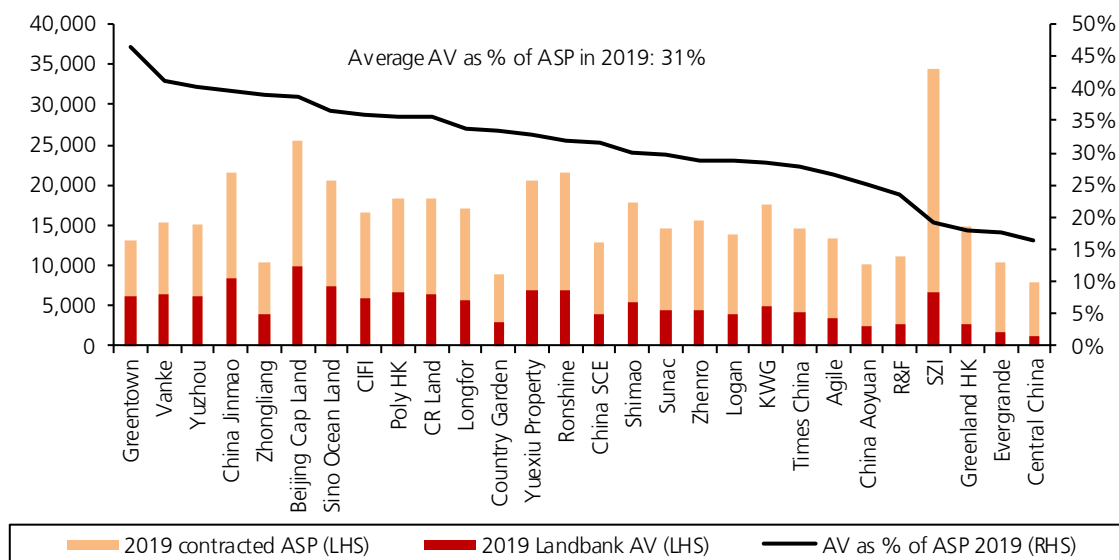
Completed & unsold inventory stands at a relatively similar level



Source: NBS, DBS HK

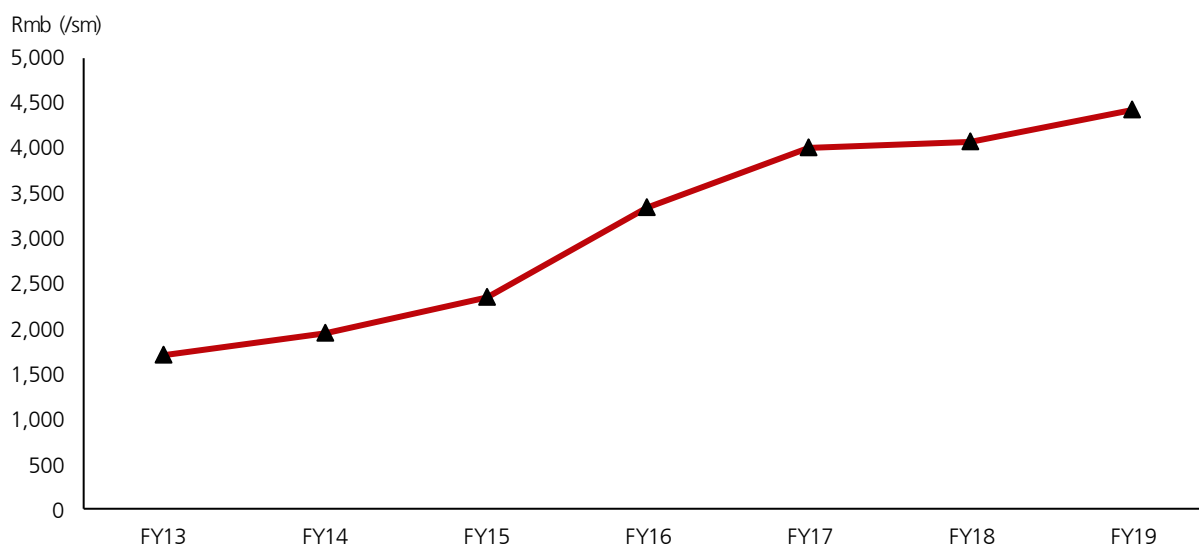
## Margins to contract further if prices remain capped

**Landbank AV as % of ASP:** Landbank AV as % of ASP as at Dec-19 stood at 31%, up from 27% as at Dec-18, reflects possible margin pressure for the sector in light of rising land costs under an environment of capped average selling prices. Greentown, Vanke and Yuzhou had the highest AV to ASP ratio increase, and we expect some level of ASP increments in 2020 on the back of improved product mix



Source: Company, DBS HK

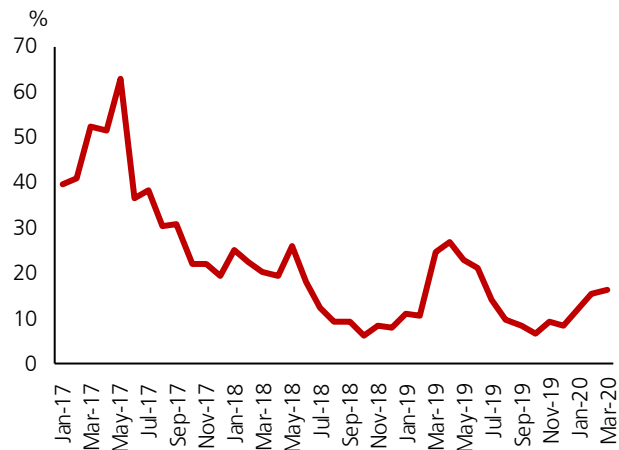
## AV of major developers



Source: Company, DBS HK

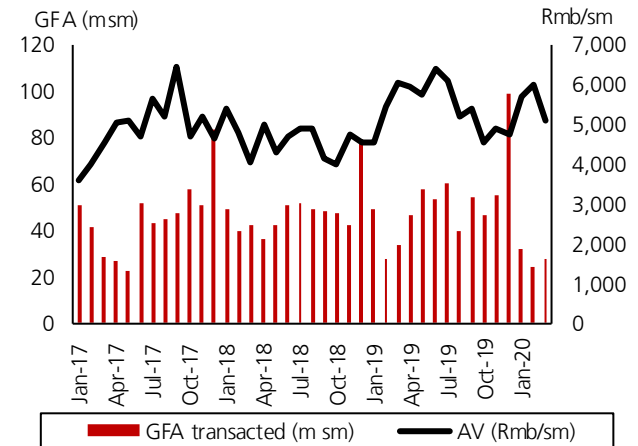
Price in the public land auction market stayed high despite temporary disruptions from the COVID-19 outbreak.

Land market – Premium to base price in 100 cities



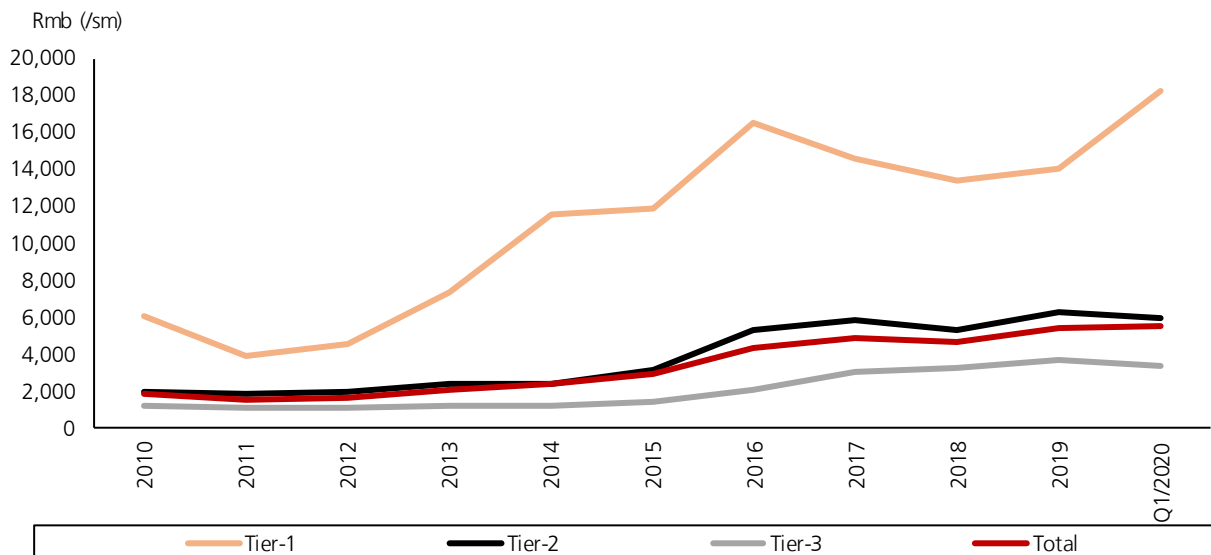
Source: WIND, DBS HK

Land market – GFA transacted and AV in 100 cities



Source: WIND, DBS HK

Land market – AV per city tier



Source: WIND, DBS HK

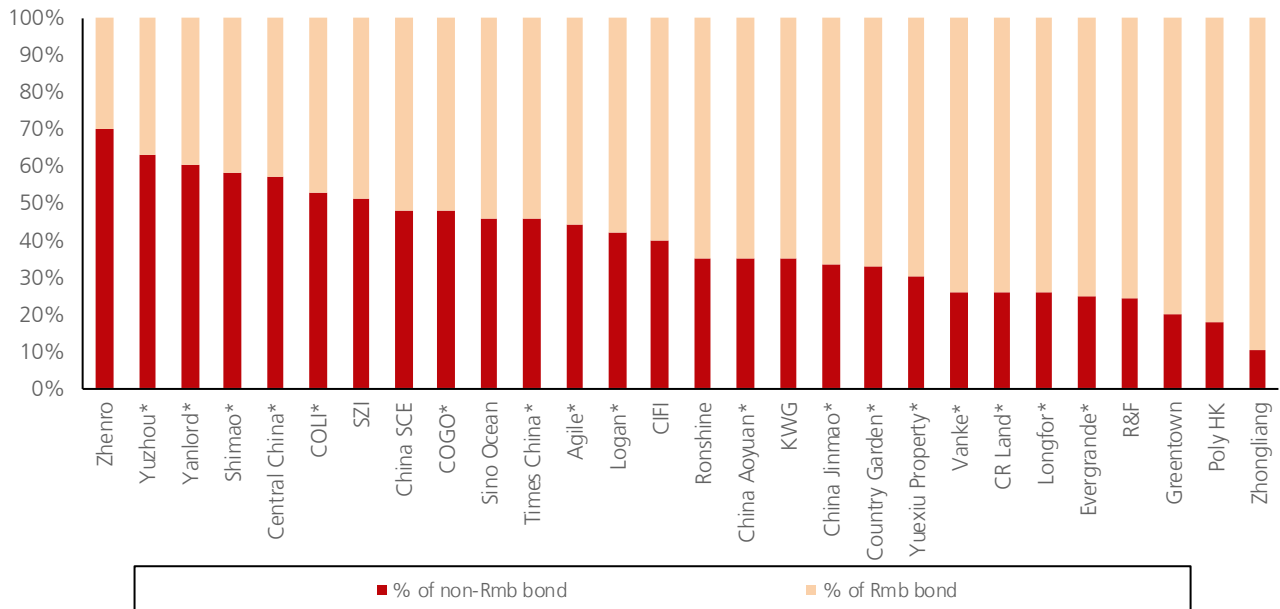
## Balance sheet

## Developers can remain viable for 5 months without presales

Company names	Stock Code	Cash level (Dec-19, LCL m)	Must made payments per month	If short term loans can be refinanced, how many months to survive?	If short term loans can be 50% refinanced, how many months to survive?	If short term loans cannot be refinanced, how many months to survive?
Evergrande	3333 HK	228,767	20,404	11	2	(7)
R&F	2777 HK	38,436	4,397	9	2	(5)
Sunac	1918 HK	125,731	13,397	9	4	(1)
China Jinmao	817 HK	24,681	4,152	6	3	(0)
Yanlord	YLLG SP	14,287	1,852	8	4	(0)
Agile	3383 HK	42,555	3,350	13	6	0
BCL	2868 HK	27,035	2,305	12	6	1
Kaisa	1638 HK	36,978	3,008	12	7	2
Greentown China	3900 HK	51,894	5,085	10	7	3
Shimao	813 HK	59,623	6,519	9	6	4
Logan	3380 HK	40,705	2,716	15	10	4
COGO	81 HK	27,427	1,896	14	9	4
Powerlong	1238 HK	23,671	1,878	13	9	4
Ronshine	3301 HK	34,309	3,259	11	8	5
Zhenro	6158 HK	35,307	2,886	12	9	5
Times China	1233 HK	29,279	1,988	15	10	5
China SCE	1966 HK	23,899	2,008	12	9	6
CR Land	1109 HK	63,699	6,479	10	8	7
COLI	688 HK	95,448	8,677	11	9	7
Longfor	960 HK	60,952	6,114	10	9	8
CIFI	884 HK	57,642	4,731	12	10	8
China Aoyuan	3883 HK	68,060	3,297	21	14	8
Sino-Ocean	3377 HK	33,566	2,895	12	10	8
Poly HK	119 HK	27,914	1,473	19	14	9
Yuzhou	1628 HK	35,511	2,314	15	12	9
Country Garden	2007 HK	268,348	15,566	17	14	10
Central China	832 HK	30,785	1,834	17	13	10
Yuexiu	123 HK	30,189	1,948	16	14	12
Seazen	1030 HK	65,574	2,067	32	22	12
KWG	1813 HK	56,734	2,528	22	18	13
<b>Average</b>				<b>13</b>	<b>9</b>	<b>5</b>

Source: Companies, DBS HK

**Currency exposure: c.39% of developers' outstanding debts as at Dec-19 are offshore non-Rmb bonds, up from c.33% in Dec-18, partly driven by a favourable offshore credit environment in 2019. Zhenro, Yuzhou and Yanlord have the highest proportion of non-Rmb denominated debt**



\*Companies under our coverage

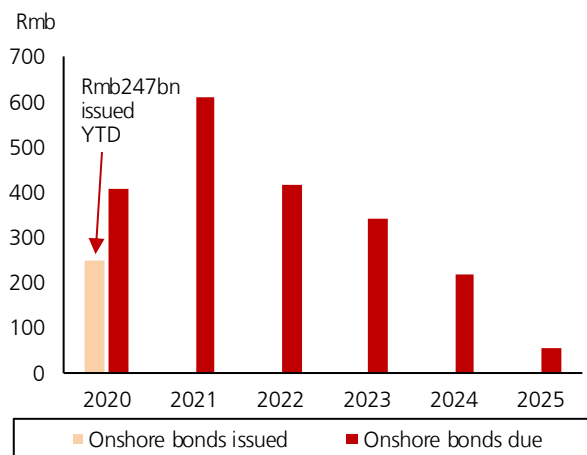
Source: Companies, DBS HK

## USD bonds due vs. refinancing

Company (Rmb bn)	Bonds due ( 2020 )	Bonds issued (2H19)	Bonds issued (2020 ytd)	Bonds issued (total)
Evergrande	29.65	-	42.71	42.71
Greenland	10.18	9.75	2.14	11.89
Sunac	8.19	4.63	3.84	8.47
Kaia	7.97	9.61	8.54	18.15
GREENTOWN	7.83	4.27	-	4.27
Yango	7.19	5.00	6.39	11.39
COLI	7.12	5.30	7.12	12.42
Times	6.80	3.56	-	3.56
Seazen	6.76	2.49	2.49	4.98
Agile	6.41	4.98	-	4.98
Country Garden	6.41	3.56	7.12	10.68
CCRE	6.33	3.56	3.56	7.12
CIFI	5.98	5.16	2.85	8.01
Redco	5.77	1.78	-	1.78
Shimao	5.70	7.12	-	7.12
China Fortune Land	5.48	-	8.54	8.54
KWG	4.98	2.14	2.14	4.27
Xinhu Zhongbao	4.98	-	-	-
ZHENRO	4.97	4.97	3.49	8.46
Logan	4.48	3.56	3.42	6.98
Redsun	4.48	3.56	4.09	7.65
R&F	4.27	3.20	2.85	6.05
JINGRUI	3.92	1.85	1.35	3.20
Beijing Enterprise	3.92	-	-	-
China South City	3.92	1.07	3.03	4.09
Powerlong	3.92	3.35	-	3.35
Xinyuan	3.56	-	-	-
Fantasia	3.49	1.42	3.20	4.63
Aoyuan	3.03	1.78	1.34	3.12

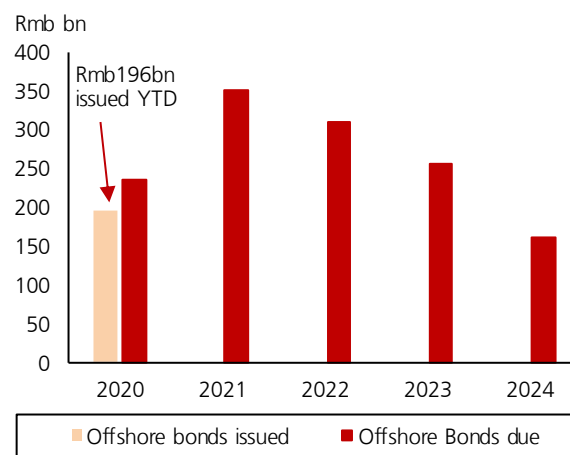
Source: WIND, DBS HK

**Onshore bonds due:** Onshore bond issuance have picked up significantly since March with most developers re-focusing on the onshore credit market. Developers have issued c.Rmb170bn of onshore bonds in March and Apr MTD alone. With news of selective developers issuing bonds at historical low borrowing rates onshore, we believe the onshore credit environment is supportive for developers and we are not overly concerned on this front at the moment.



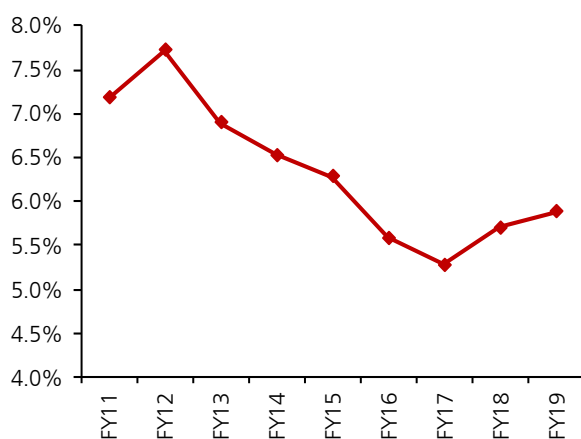
Source: Wind, DBS HK

**Offshore bonds due:** while the offshore bond market turned more volatile since March with bond yields trended up significantly alongside concerns over COVID-19, developers have utilised the issuance window in Jan-Feb well. with c.Rmb196bn worth of offshore bonds issued versus c. Rmb240bn coming due in 2020. Remaining pressure on offshore refinancing should be manageable in our view.



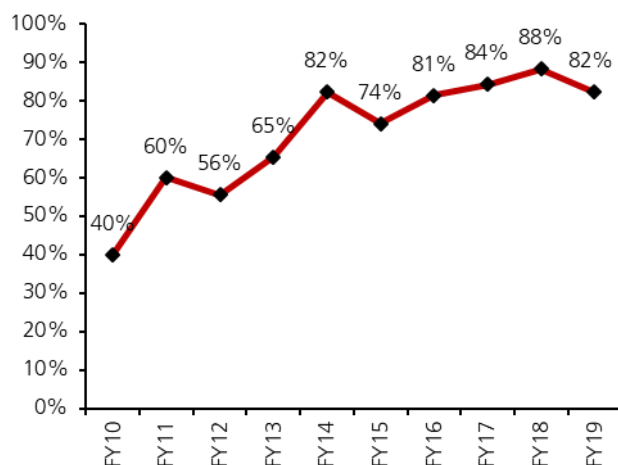
Source: Wind, DBS HK

**Borrowing cost trend:** The sector's average funding cost showed signs of stabilisation in 2019 at 6.2% (FY18: 6.1%) after the tight credit environment in 2018 and a gradual contribution from bonds issued during the better credit environment for both on- and offshore bonds in 2019 and early 2020. We believe the sector's average funding costs may have peaked in FY19, with decent magnitude of cost improvements to be seen from FY20F onwards.



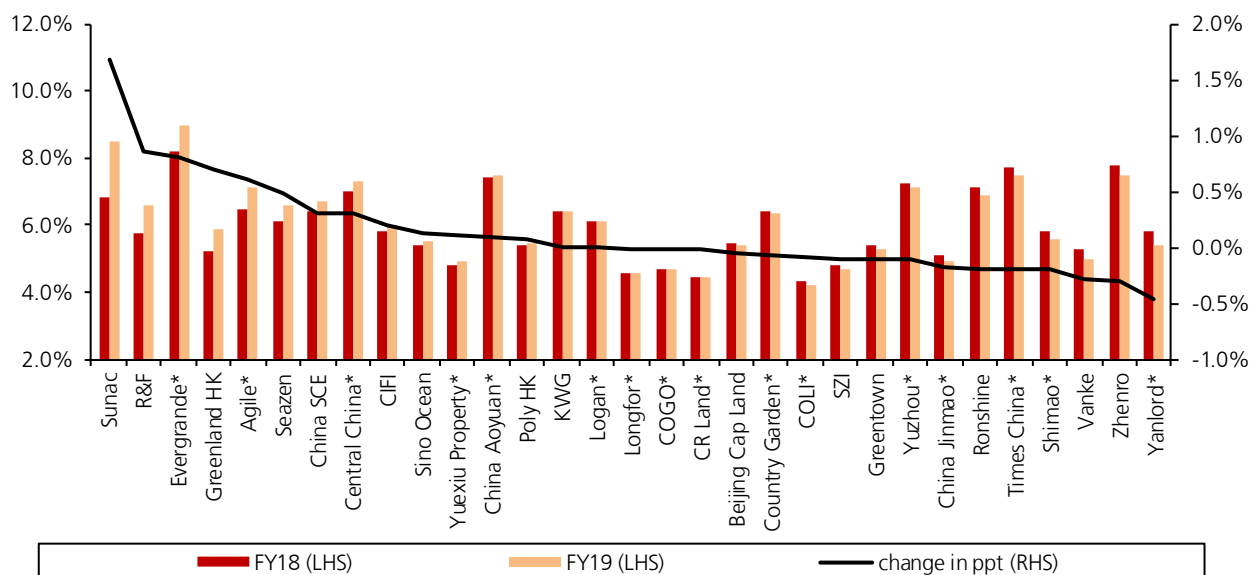
Source: Company, DBS HK

**Net gearing ratio (perp as debt):** Deleveraging continued among developers, in part led by the tight issuance requirements (in terms of quota) for both on- and offshore bonds, which are typically restricted only for refinancing purposes.



Source: Companies, DBS HK

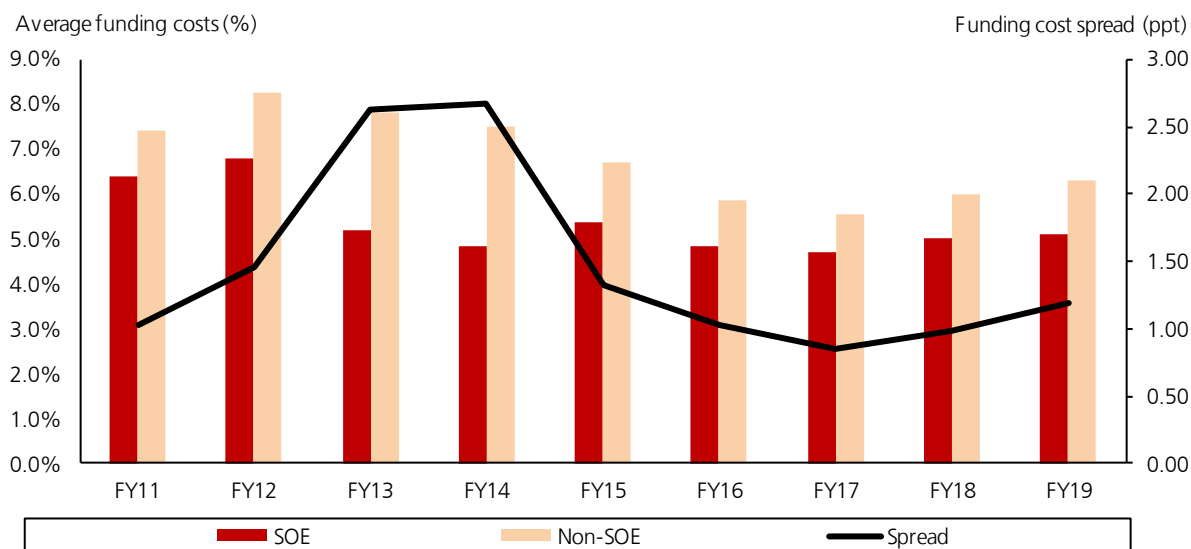
**Borrowing costs FY19 vs FY18: In 2019, Sunac, R&F and Evergrande saw the highest increase in average funding costs, whereas Zhongliang and Zhenro posted the best improvements as they benefitted from on their recent listings**



\*Companies under our coverage

Source: Company, DBS HK

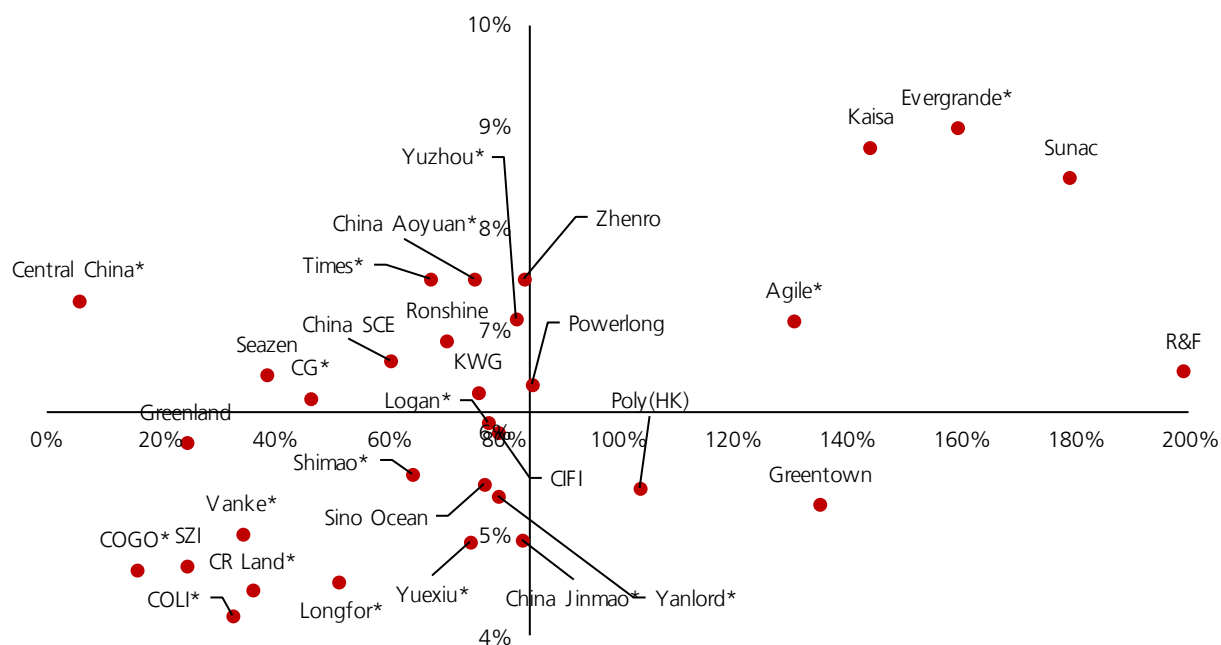
**Yield spread between SOE and non-SOE continued to widen further**



Source: Company, DBS HK



Funding cost vs net debt ratio



\*Companies under our coverage  
Source: Company, DBS HK

## Short-term debt as % of total debt

		FY18	1H19	FY19	Change (FY18 vs FY19)	Change (1H19 vs FY19)
845 HK	Glorious Property	89.7%	90.3%	100.0%	10.2%	9.6%
6139 HK	Jinmao Inv	76.9%	100.0%	69.2%	-7.7%	-30.8%
2608 HK	Sunshine 100 China	35.1%	31.5%	57.7%	22.6%	26.2%
1107 HK	Modern Land	55.5%	44.9%	51.2%	-4.3%	6.3%
3333 HK	Evergrande*	47.3%	46.2%	46.5%	-0.8%	0.3%
1030 HK	Seazen	32.4%	34.2%	46.5%	14.1%	12.3%
3383 HK	Agile Property *	39.9%	38.6%	43.8%	3.8%	5.2%
3883 HK	China Aoyuan*	40.9%	43.3%	43.7%	2.9%	0.5%
230 HK	Minmetals Land	6.7%	58.4%	43.3%	36.6%	-15.0%
3380 HK	Logan Property *	29.2%	33.4%	42.5%	13.2%	9.1%
1918 HK	Sunac China	40.1%	40.1%	42.1%	2.0%	2.0%
1996 HK	Rsun Properties	49.4%	47.5%	42.0%	-7.4%	-5.5%
95 HK	LV GEM	25.0%	29.0%	41.7%	16.7%	12.7%
832 HK	Central China*	26.9%	27.2%	39.8%	12.8%	12.6%
81 HK	COGO*	29.0%	31.7%	37.9%	8.9%	6.2%
2202 HK	Vanke*	36.0%	30.1%	36.7%	0.7%	6.6%
1387 HK	Renhe Commercial	34.7%	40.9%	36.7%	1.9%	-4.2%
337 HK	Greenland HK	41.4%	42.3%	36.6%	-4.8%	-5.7%
3900 HK	Greentown China	21.5%	20.7%	36.6%	15.1%	15.8%
1233 HK	Times*	15.4%	20.0%	34.9%	19.6%	14.9%
604 HK	Shenzhen Investment	23.4%	36.3%	34.6%	11.2%	-1.7%
672 HK	Zhong An	29.0%	28.2%	34.5%	5.4%	6.3%
535 HK	Gemdale	44.7%	60.0%	33.8%	-10.9%	-26.3%
YLLG	Yanlord Land*	20.6%	32.6%	31.9%	11.3%	-0.6%
2777 HK	Guangzhou R&F	32.1%	29.6%	31.6%	-0.5%	2.0%
2007 HK	Country Garden*	38.4%	34.3%	31.5%	-6.9%	-2.9%
1777 HK	Fantasia	33.4%	27.7%	30.1%	-3.3%	2.4%
1966 HK	China SCE	31.6%	22.7%	29.2%	-2.4%	6.5%
813 HK	Shimao Property *	28.7%	27.8%	29.1%	0.4%	1.3%
817 HK	China Jinmao*	25.0%	28.9%	27.8%	2.8%	-1.1%
1813 HK	KWG Property	22.3%	14.3%	27.7%	5.4%	13.4%
1238 HK	Powerlong	30.0%	25.3%	27.7%	-2.3%	2.4%
1098 HK	Road King	50.7%	44.9%	27.6%	-23.1%	-17.3%
1628 HK	Yuzhou Properties*	37.7%	24.6%	27.4%	-10.2%	2.8%
1638 HK	Kaisa	15.6%	19.4%	27.2%	11.6%	7.8%
2868 HK	Beijing Cap. Land	27.0%	24.6%	26.5%	-0.5%	1.9%
588 HK	Beijing North Star	30.0%	28.9%	25.7%	-4.3%	-3.2%
119 HK	Poly Hong Kong	25.2%	34.9%	23.9%	-1.3%	-11.0%
978 HK	China Merchant Land	31.1%	25.4%	23.3%	-7.7%	-2.1%
884 HK	CIFI	17.2%	17.5%	20.4%	3.2%	2.9%
754 HK	Hopson Dev	75.6%	23.1%	20.0%	-55.6%	-3.0%
688 HK	COLI*	15.8%	13.7%	16.9%	1.1%	3.2%
1109 HK	CR Land*	16.7%	10.4%	15.9%	-0.9%	5.5%
272 HK	Shui On Land	42.3%	26.1%	15.7%	-26.6%	-10.3%
1207 HK	SRE Group	64.2%	30.4%	15.1%	-49.1%	-15.3%
3377 HK	Sino-Ocean Land	17.4%	12.9%	11.1%	-6.3%	-1.8%
123 HK	Yuexiu Property *	10.8%	12.3%	10.1%	-0.8%	-2.2%
1224 HK	C C Land	22.8%	14.8%	9.7%	-13.2%	-5.1%
960 HK	Longfor Properties*	9.8%	9.8%	9.5%	-0.3%	-0.3%
410 HK	SOHO China*	19.2%	11.6%	9.1%	-10.1%	-2.5%
<b>Average</b>		<b>33.2%</b>	<b>32.1%</b>	<b>32.7%</b>	<b>-0.5%</b>	<b>0.6%</b>

\*Companies under our coverage

Source: Companies, DBS HK

## Dividend payment likely to be stable

## Dividend payout ratio

		DPS (HK\$)			Dividend payout (on reported EPS)			Dividend payout (on core EPS)		
		FY18	FY19	change	FY18	FY19	change	FY18	FY19	change
3383 HK	Agile*	1.000	1.000	0%	49%	47%	-3%	55%	57%	2%
2868 HK	BCL	0.244	0.244	0%	35%	31%	-3%	40%	34%	-6%
832 HK	Central China*	0.213	0.466	119%	43%	57%	14%	77%	85%	8%
2007 HK	CG*	0.543	0.635	17%	30%	31%	1%	31%	30%	0%
3883 HK	China Aoyuan*	0.400	0.611	53%	40%	35%	-5%	37%	36%	-2%
817 HK	China Jinmao*	0.220	0.230	5%	49%	42%	-7%	50%	44%	-6%
1966 HK	China SCE	0.233	0.267	14%	24%	28%	4%	37%	37%	1%
884 HK	CIFI	0.300	0.380	27%	40%	42%	2%	39%	39%	0%
81 HK	COGO*	0.142	0.255	80%	17%	24%	6%	17%	24%	7%
688 HK	COLI*	0.900	1.020	13%	24%	24%	1%	28%	29%	1%
1109 HK	CR Land*	1.242	1.170	-6%	32%	26%	-6%	40%	34%	-6%
3333 HK	Evergrande*	1.577	0.726	-54%	50%	50%	0%	38%	35%	-3%
535 HK	Gemdale	0.031	0.080	161%	20%	31%	11%	28%	38%	10%
337 HK	Greenland	0.222	0.278	25%	35%	31%	-5%	58%	67%	9%
3900 HK	Greentown	0.256	0.333	30%	127%	54%	-73%	16%	21%	6%
1638 HK	Kaisa	0.120	0.130	8%	24%	15%	-8%	74%	24%	-50%
1813 HK	KWVG	0.622	0.822	32%	44%	24%	-20%	46%	45%	-1%
3380 HK	Logan*	0.750	0.830	11%	46%	37%	-9%	53%	41%	-12%
960 HK	Longfor*	1.100	1.333	21%	36%	39%	3%	46%	46%	0%
119 HK	Poly(HK)	0.123	0.209	70%	20%	20%	0%	22%	17%	-5%
1238 HK	Powerlong	0.300	0.310	3%	38%	28%	-10%	59%	42%	-17%
2777 HK	R&F	1.367	1.422	4%	47%	43%	-5%	42%	46%	4%
3301 HK	Ronshine	0.365	0.600	64%	24%	29%	5%	20%	29%	8%
1030 HK	Seazen	0.400	0.344	-14%	31%	23%	-8%	38%	27%	-11%
813 HK	Shimao*	1.200	1.450	21%	41%	39%	-1%	42%	41%	-1%
272 HK	Shui On	0.084	0.120	43%	32%	45%	13%	23%	45%	22%
3377 HK	Sino Ocean	0.213	0.136	-36%	41%	35%	-5%	55%	45%	-11%
1918 HK	Sunac	0.919	1.369	49%	21%	20%	-1%	23%	24%	1%
604 HK	SZL	0.200	0.200	0%	43%	38%	-5%	56%	57%	1%
1233 HK	Times*	0.764	0.938	23%	29%	31%	2%	30%	29%	-1%
2202 HK	Vanke*	1.189	1.161	-2%	35%	30%	-5%	35%	31%	-3%
YLLG SP	Yanlord*	0.370	0.381	3%	18%	20%	2%	20%	62%	42%
123 HK	Yuexiu*	0.093	0.102	10%	38%	38%	0%	37%	38%	1%
1628 HK	Yuzhou*	0.315	0.400	27%	35%	49%	14%	36%	44%	8%
6158 HK	Zhenro	0.167	0.111	-33%	29%	17%	-12%	31%	18%	-13%
<b>Average</b>		<b>0.52</b>	<b>0.57</b>	<b>5%</b>	<b>37%</b>	<b>33%</b>	<b>-3%</b>	<b>39%</b>	<b>39%</b>	<b>-1%</b>
<b>Average (excl. Greentown, Evergrande, Sino Ocean and Sunac)</b>		<b>0.49</b>	<b>0.56</b>	<b>7%</b>	<b>34%</b>	<b>33%</b>	<b>-1%</b>	<b>40%</b>	<b>40%</b>	<b>0%</b>

\*Companies under our coverage

Source: Companies, DBS HK

## FY19 results review

## Revenue growth

Reporting	Currency m	FY18	FY19	%	FY20E	%
1813 HK	KWG	7,477	24,956	234%	30,294	21%
832 HK	Central China*	14,783	30,767	108%	38,800	26%
119 HK	Poly(HK)	23,234	39,944	72%	30,834	-23%
535 HK	Gemdale	7,079	11,710	65%	14,836	27%
3883 HK	China Aoyuan†	31,006	50,531	63%	78,746	56%
1030 HK	Seazen	54,781	86,851	59%	129,396	49%
3301 HK	Ronshine	34,367	51,463	50%	63,555	23%
123 HK	Yuexiu*	26,433	38,339	45%	43,425	13%
1918 HK	Sunac	124,746	169,316	36%	234,572	39%
1238 HK	Powerlong	19,594	26,042	33%	35,832	38%
960 HK	Longfor*	115,798	151,026	30%	178,569	18%
813 HK	Shimao*	85,513	111,517	30%	142,514	28%
3380 HK	Logan*	44,137	57,480	30%	71,866	25%
884 HK	CIFI	42,368	54,766	29%	70,212	28%
2007 HK	CG*	379,079	485,908	28%	522,936	8%
1638 HK	Kaisa	38,705	48,022	24%	61,274	28%
2202 HK	Vanke*	297,083	367,894	24%	429,465	17%
1233 HK	Times*	34,375	42,433	23%	50,084	18%
6158 HK	Zhenro	26,453	32,558	23%	37,948	17%
3377 HK	Sino Ocean	41,422	50,926	23%	58,816	15%
1109 HK	CR Land*	121,189	147,736	22%	163,161	10%
1966 HK	China SCE	17,783	21,370	20%	29,710	39%
2777 HK	R&F	76,858	90,814	18%	110,780	22%
688 HK	COLI*	144,027	163,651	14%	183,456	12%
817 HK	China Jinmao*	38,733	43,356	12%	65,292	51%
81 HK	COGO*	25,571	28,591	12%	41,201	44%
3383 HK	Agile*	56,145	60,239	7%	79,798	32%
3333 HK	Evergrande*	466,196	477,561	2%	553,488	16%
3900 HK	Greentown	60,303	61,593	2%	66,208	7%
1628 HK	Yuzhou*	24,306	23,241	-4%	27,055	16%
604 HK	SZI	16,643	14,919	-10%	19,135	28%
YLLG SP	Yanlord*	24,888	18,666	-25%	22,733	22%
272 HK	Shui On	24,841	10,392	-58%	10,059	-3%
<b>Average</b>				<b>32%</b>		<b>23%</b>
<b>Average (excl. KWG)</b>				<b>25%</b>		<b>23%</b>

\*Companies under our coverage

Source: Companies, DBS HK

**SG&A as % of contracted sales in 2019 vs 2018: SG&A as % trended up in 2019, and we expect further increase as we enter 2020 given 1) likely higher property agency fee as developers wish to accelerate presales launches; and 2) higher competition particularly in 2H20.**

**Core ROE 2019 vs 2018**

		FY18	FY19	Change			FY18	FY19	ppt change
604 HK	SZI	7.3%	8.3%	0.9%	3380 HK	Logan*	26.7%	32.8%	6.1
272 HK	Shui On	4.7%	7.8%	3.1%	1918 HK	Sunac	30.8%	31.9%	1.2
119 HK	Poly(HK)	5.6%	7.6%	2.0%	1030 HK	Seazen	35.5%	30.8%	(4.7)
3333 HK	Evergrande*	6.0%	7.2%	1.2%	3883 HK	China Aoyuan*	23.4%	30.6%	7.3
2777 HK	R&F	6.3%	6.9%	0.7%	1233 HK	Times*	25.8%	30.3%	4.5
2007 HK	CG*	6.3%	6.8%	0.5%	2007 HK	CG*	31.7%	29.4%	(2.4)
1638 HK	Kaisa	5.5%	6.1%	0.6%	884 HK	CIFI	23.8%	24.8%	1.0
3383 HK	Agile*	5.2%	5.2%	0.0%	535 HK	Gemdale	14.1%	22.8%	8.8
832 HK	Central China*	5.1%	5.0%	-0.1%	3301 HK	Ronshine	21.8%	21.8%	0.1
81 HK	COGO*	3.8%	4.7%	0.9%	2202 HK	Vanke*	23.5%	21.7%	(1.9)
1109 HK	CR Land*	4.0%	4.5%	0.5%	1628 HK	Yuzhou*	19.1%	20.0%	0.9
960 HK	Longfor*	4.3%	4.4%	0.1%	960 HK	Longfor*	16.9%	17.7%	0.8
1238 HK	Powerlong	5.5%	4.0%	-1.5%	81 HK	COGO*	15.2%	16.7%	1.6
2202 HK	Vanke*	3.7%	3.9%	0.2%	813 HK	Shimao*	14.6%	16.7%	2.1
3883 HK	China Aoyuan*	3.5%	3.9%	0.4%	817 HK	China Jinmao*	14.8%	16.3%	1.5
1233 HK	Times*	3.2%	3.5%	0.3%	1813 HK	KWVG	13.5%	16.2%	2.6
1030 HK	Seazen	2.3%	3.2%	0.9%	1966 HK	China SCE	15.7%	16.0%	0.3
1813 HK	KWVG	2.8%	3.2%	0.4%	6158 HK	Zhenro	18.0%	15.4%	(2.5)
3900 HK	Greentown	3.7%	3.2%	-0.5%	832 HK	Central China*	7.9%	14.5%	6.6
123 HK	Yuexiu*	2.9%	3.1%	0.2%	3333 HK	Evergrande*	39.3%	14.2%	(25.1)
YLLG SP	Yanlord*	5.3%	3.1%	-2.2%	119 HK	Poly(HK)	7.0%	14.0%	7.1
3380 HK	Logan*	3.3%	2.9%	-0.4%	1109 HK	CR Land*	13.7%	13.9%	0.2
813 HK	Shimao*	3.1%	2.8%	-0.3%	1638 HK	Kaisa	4.3%	12.7%	8.3
817 HK	China Jinmao	2.7%	2.7%	0.0%	2777 HK	R&F	14.7%	12.4%	(2.3)
2868 HK	BCL	2.4%	2.7%	0.3%	688 HK	COLI*	11.3%	12.2%	0.8
1966 HK	China SCE	3.3%	2.6%	-0.7%	3383 HK	Agile*	14.7%	11.4%	(3.3)
337 HK	Greenland	3.1%	2.6%	-0.4%	337 HK	Greenland	10.4%	9.7%	(0.7)
1918 HK	Sunac	2.5%	2.6%	0.1%	123 HK	Yuexiu*	8.5%	9.4%	0.9
535 HK	Gemdale	2.7%	2.6%	-0.1%	1238 HK	Powerlong	7.0%	9.1%	2.1
3377 HK	Sino Ocean*	2.7%	2.5%	-0.2%	3900 HK	Greentown	11.8%	8.0%	(3.8)
1628 HK	Yuzhou*	1.9%	2.3%	0.4%	2868 HK	BCL	6.7%	6.4%	(0.3)
884 HK	CIFI	2.2%	2.3%	0.2%	604 HK	SZI	6.3%	6.2%	(0.1)
3301 HK	Ronshine	2.0%	1.9%	-0.1%	272 HK	Shui On	7.0%	4.9%	(2.1)
6158 HK	Zhenro	1.7%	1.7%	0.0%	3377 HK	Sino Ocean*	5.4%	4.2%	(1.2)
688 HK	COLI*	1.9%	1.6%	-0.3%	YLLG SP	Yanlord*	13.2%	4.0%	(9.2)
<b>Average</b>		<b>3.8%</b>	<b>4.0%</b>	<b>0.2%</b>	<b>Average</b>		<b>16.4%</b>	<b>16.5%</b>	<b>0.1</b>

\*Companies under our coverage

Source: Companies, DBS HK

## FY19A Operating Cashflow

Rmb bn	Total Cash inflow	Construction capex	Land	Other expenses	FY19A CFO	Operating CF positive?	FY19 End cash
1109 HK CR Land*	228.6	(66.3)		(47.8)	114.5	yes	64
884 HK CIFI	96.0	(24.0)	(55.0)	(21.0)	(4.0)	no	58
817 HK China Jinmao*^	80.5	(6.7)	(26.1)	(9.1)	38.7	yes	25
813 HK Shimao*	195.0	(56.3)	(96.9)	(47.6)	(5.8)	no	60
1233 HK Times*	44.3	(10.1)	(21.3)	(12.7)	0.2	yes	29
3377 HK Sino Ocean	83.1	(35.0)	(29.9)	(16.7)	1.5	yes	34
YLLG SP Yanlord*	20.3	(5.2)	(2.5)	(11.0)	1.6	yes	14
3383 HK Agile*	70.5	(26.9)	(38.5)	(29.5)	(24.4)	no	43
3333 HK Evergrande*	474.7	(209.0)	(133.4)	(201.8)	(69.5)	no	229
832 HK Central China*	48.4	(20.5)	(23.6)	(12.6)	(8.4)	no	31
2007 HK Country Garden*	603.3	(308.2)	(145.5)	(145.7)	3.8	yes	268
3900 HK Greentown	94.5	(23.9)	(49.1)	(63.9)	(42.4)	no	52
1813 HK KWG	50.2	(16.8)	(20.5)	(14.3)	(1.4)	no	57
2777 HK R&F	95.0	(40.0)	(39.0)	(41.0)	(25.0)	no	38
123 HK Yuexiu*	53.5	(12.6)	(19.4)	(15.1)	6.4	yes	30
119 HK Poly (HK)	27.7	(10.7)	(19.7)	(29.3)	(32.0)	no	28
1918 HK Sunac	226.9	(83.5)	(122.6)	(86.4)	(65.6)	no	126
1628 HK Yuzhou*	44.5	(15.8)	(23.3)	(10.0)	(4.6)	no	36
1638 HK Kaisa	66.5	(21.1)	(30.2)	(23.3)	(8.1)	no	37
960 HK Longfor*	200.0	(68.0)	(83.0)	(16.1)	32.9	yes	61
604 HK Shenzhen Inv	18.3	(6.0)	(3.6)	(4.7)	4.0	yes	12
3380 HK Logan Property*	78.4	(20.0)	(40.6)	(17.0)	0.8	yes	41
1238 HK Powerlong	39.3	(11.4)	(15.0)	(12.9)	-	Flat	24
6158 HK Zhenro	50.3	(12.0)	(25.6)	(10.9)	1.8	yes	35
3301 HK Ronshine	54.4	(14.2)	(14.1)	(17.4)	8.7	yes	34
1777 HK Fantasia	23.5	(8.8)	(8.0)	(8.1)	(1.4)	no	23
2772 HK Zhongliang	88.7	(29.6)	(50.2)	(12.4)	(3.5)	no	26
1966 HK China SCE	40.9	(10.5)	(26.5)	(8.4)	(4.5)	no	24
3883 HK Aoyuan*	86.3	(38.0)	(28.9)	(26.4)	(7.0)	no	68

^Assumed 50% interest

\*Companies under our coverage

Source: Companies, DBS HK

## FY20F Operating Cashflow

Rmb mn	Total Cash in-flow	Construction capex	Land	Other Expenses	FY20E CFO	FY20E Net debt ratio	End-19 Net debt ratio
1918 HK Sunac#	263,900	(106,800)	(28,000)	(107,000)	22,100	119%	172%
884 HK CIFI	112,000	(29,000)	(57,000)	(26,000)	-	61%	69%
817 HK China Jinmao*^	81,950	(9,300)	(53,950)	(9,750)	8,950	67%	83%
2007 HK Country Garden*	570,000	(280,000)	(160,000)	(126,500)	3,500	37%	46%
3883 HK China Aoyuan*	95,800	(42,100)	(37,000)	(36,400)	(19,700)	109%	75%
960 HK Longfor*	208,000	(75,000)	(80,000)	(67,200)	(14,200)	53%	51%
1628 HK Yuzhou*	54,900	(19,000)	(28,000)	(11,800)	(3,900)	73%	70%
3383 HK Agile*	92,500	(34,100)	(35,500)	(32,800)	(9,900)	87%	83%
3380 HK Logan*#	93,000	(25,000)	-	(20,900)	47,100	Net cash	67%
832 HK Central China*	54,909	(26,000)	(20,000)	(14,339)	(5,430)	Net cash	6%
813 HK Shimao*	240,000	(72,000)	(100,000)	(42,900)	25,100	32%	57%
1233 HK Times China	48,300	(10,800)	(23,200)	(14,300)	-	57%	67%
1966 HK China SCE	62,000	(13,000)	(32,000)	(11,100)	5,900	36%	60%
1109 HK CR Land*#	249,500	(93,400)	-	(55,800)	100,300	Net cash	30%
119 HK Poly HK	27,600	(13,000)	(20,000)	(12,800)	(18,200)	151%	104%
3377 HK Sino Ocean*	88,900	(35,000)	(30,000)	(17,700)	6,200	64%	77%
123 HK Yuexiu Property*	61,200	(14,000)	(30,000)	(16,000)	1,200	67%	74%
2777 HK R&F	106,000	(43,000)	(9,000)	(43,000)	11,000	162%	199%
3333 HK Evergrande*	700,000	(220,000)	(90,000)	(218,800)	171,200	103%	159%
1813 HK KWG#	61,400	(18,500)	(7,100)	(15,300)	20,500	19%	75%
YLLG SP Yanlord*#	33,260	(8,575)	(2,953)	(17,763)	3,969	65%	79%
3301 HK Ronshine	60,735	(16,000)	(20,000)	(18,230)	6,505	49%	70%
6158 HK Zhenro	53,900	(14,300)	(26,500)	(11,500)	1,600	64%	75%
1238 HK Powerlong	44,680	(16,200)	(6,200)	(14,710)	7,570	56%	81%
3900 HK Greentown China	131,700	(35,500)	(74,200)	(34,950)	(12,950)	79%	63%
2772 HK Zhongliang	95,000	(31,600)	(51,300)	(14,000)	(1,900)	61%	66%
1638 HK Kaisa	79,000	(22,000)	(32,500)	(14,700)	9,800	116%	144%
<b>Average</b>						<b>75%</b>	<b>80%</b>

^Assumed 50% interest and Rmb50bn of land acquisition budget

#No disclosure on 2020 land acquisition budget

\*Companies under our coverage

Source: Companies, DBS HK

## Valuation comparison

Company Name	Code	22-Apr Price HK\$	Mkt Cap US\$bn	3-mth daily trading value US\$m	Recom	12-m target HK\$	EPS 20F %	gth 21F %	PE 20F x	PE 21F x	Yield 20F %	Yield 21F %	ROE 20F %	ROE 21F %	Net Gearing FY19A %	P/Bk 20F x	NAV HK\$	Disc/ (Prem) to NAV %
<b>Large cap</b>																		
China Overseas*	688 HK	26.05	36.8	63.0	BUY	29.50	10	12	7.1	6.3	4.0	4.7	12.0	12.2	32.7	0.9	39.0	33.2
CR Land*	1109 HK	30.80	28.3	72.0	BUY	35.00	11	15	8.2	7.1	4.3	4.9	13.0	13.4	36.2	1.1	44.5	30.8
China Vanke 'H'*	2202 HK	24.50	40.8	31.3	BUY	36.16	13	12	5.5	4.9	6.2	7.0	22.2	21.4	34.3	1.1	31.1	21.2
Country Garden*	2007 HK	9.43	26.6	42.6	BUY	13.65	9	9	4.2	3.9	7.1	7.8	26.8	24.4	46.3	1.0	18.2	48.2
Evergrande*	3333 HK	12.72	21.7	44.7	BUY	14.30	15	15	5.4	4.7	9.2	10.6	18.5	19.3	159.3	1.0	45.8	72.2
Longfor*	960 HK	37.75	29.2	38.1	BUY	33.00	26	21	10.2	8.5	4.4	5.3	20.6	22.1	51.0	2.0	38.0	0.7
Shimao Property*	813 HK	30.40	13.6	37.0	BUY	30.03	22	21	7.2	5.9	5.6	6.7	18.2	19.7	63.9	1.2	37.0	17.7
Sunac China	1918 HK	32.65	19.6	155.8	NR	n.a.	13	19	4.4	3.7	4.9	6.1	26.3	25.7	179.1	1.1	n.a.	n.a.
<b>Average</b>							<b>15</b>	<b>15</b>	<b>6.5</b>	<b>5.6</b>	<b>5.7</b>	<b>6.6</b>	<b>19.7</b>	<b>19.8</b>	<b>75.4</b>	<b>1.2</b>		<b>32.0</b>
<b>Mid cap</b>																		
Agile Property*	3383 HK	8.11	4.1	10.3	BUY	11.10	12	17	3.5	3.0	12.9	15.1	15.0	16.1	130.7	0.5	14.9	45.5
China Aoyuan*	3883 HK	8.81	3.1	12.6	BUY	14.42	57	25	3.4	2.7	10.5	13.2	37.7	37.0	74.9	1.1	n.a.	n.a.
China Jinmao Hldgs*	817 HK	5.16	7.8	18.0	HOLD	5.66	16	26	7.4	5.8	5.3	6.7	17.5	17.4	83.1	1.2	9.0	42.7
QIFI Holdings	884 HK	5.52	5.6	18.4	NR	n.a.	27	21	4.8	4.0	7.4	9.1	23.7	24.2	78.9	1.1	n.a.	n.a.
Seazen	1030 HK	6.71	5.1	18.4	NR	n.a.	7	16	4.3	3.7	7.1	8.4	26.7	24.0	38.5	1.1	n.a.	n.a.
Guangzhou R&F	2777 HK	9.35	1.6	20.3	NR	n.a.	12	13	2.5	2.2	15.3	17.3	15.1	15.1	198.9	0.3	n.a.	n.a.
KWG Property	1813 HK	11.22	4.6	13.6	NR	n.a.	(34)	22	5.1	4.2	8.4	10.4	19.2	19.2	75.4	0.8	n.a.	n.a.
Logan Property*	3380 HK	11.84	8.4	10.1	BUY	14.59	21	26	5.2	4.2	7.6	9.6	31.8	33.0	77.1	1.5	16.3	27.2
Shenzhen Inv	604 HK	2.33	2.7	2.0	NR	n.a.	(10)	8	5.5	5.1	7.6	7.5	7.6	8.4	24.7	0.5	n.a.	n.a.
Sino-Ocean Land	3377 HK	1.93	1.9	2.8	BUY	6.68	17	19	4.3	3.6	10.6	12.5	7.4	6.5	76.7	0.3	8.9	78.3
Times China*	1233 HK	12.32	3.1	13.3	BUY	19.05	15	21	3.4	2.8	9.3	11.2	30.0	29.4	67.2	0.9	24.2	49.0
Yuexiu Property*	123 HK	1.47	2.9	3.8	BUY	2.25	6	21	5.2	4.3	7.6	n.a.	9.5	n.a.	74.0	0.5	3.2	53.5
<b>Average</b>							<b>12</b>	<b>20</b>	<b>4.6</b>	<b>3.8</b>	<b>9.1</b>	<b>11.0</b>	<b>20.1</b>	<b>20.9</b>	<b>83.3</b>	<b>0.8</b>		<b>49.4</b>
<b>Small cap</b>																		
BJ Cap Land 'H'	2868 HK	1.67	0.2	1.6	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300.5	n.a.	n.a.	n.a.
Central China*	832 HK	3.93	1.4	1.4	BUY	4.98	86	16	3.9	3.4	8.9	10.3	23.1	21.7	5.6	0.8	10.8	63.6
China Merchants Land	978 HK	1.26	0.8	0.7	NR	n.a.	n.a.	15	2.7	2.4	11.4	13.1	9.5	n.a.	45.1	n.a.	n.a.	n.a.
China SCE	1966 HK	3.29	1.8	6.5	NR	n.a.	(2)	24	3.6	2.9	8.9	11.2	18.8	18.6	60.0	0.6	n.a.	n.a.
China South City^^	1668 HK	0.73	0.8	1.2	BUY	2.77	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	68.7	n.a.	n.a.	n.a.
COGO	81 HK	4.59	2.0	4.9	BUY	5.79	16	19	3.6	3.0	6.4	7.6	19.3	19.8	15.6	0.6	8.9	48.3
Gemdale Props	535 HK	1.21	2.5	6.2	NR	n.a.	21	27	3.7	2.9	n.a.	n.a.	25.9	27.4	26.0	0.9	n.a.	n.a.
Greenland	337 HK	2.84	1.0	0.9	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.4	1.0	n.a.	n.a.
Greentown	3900 HK	7.35	2.1	12.6	NR	n.a.	145	6	5.0	4.7	4.8	5.0	8.2	n.a.	135.4	0.5	n.a.	n.a.
Hopson Dev	754 HK	7.65	2.2	1.5	NR	n.a.	(61)	17	4.6	3.9	6.5	7.6	n.a.	n.a.	65.7	0.3	n.a.	n.a.
Joy City*	207 HK	0.61	1.1	0.3	BUY	1.77	17	n.a.	5.8	n.a.	6.9	n.a.	4.6	n.a.	57.8	0.3	3.0	79.3
Kaisa Group	1638 HK	2.91	2.3	7.5	NR	n.a.	12	25	3.2	2.5	8.8	11.3	18.2	22.0	144.0	0.6	n.a.	n.a.
LV GEM	95 HK	2.26	1.5	1.6	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	135.2	0.1	n.a.	n.a.
Minmetals Land	230 HK	1.02	0.4	0.2	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	133.7	n.a.	n.a.	n.a.
Modern Land (China)	1107 HK	1.07	0.4	0.1	NR	n.a.	21	23	3.1	2.5	8.2	10.2	14.6	n.a.	82.7	0.3	n.a.	n.a.
Poly (Hong Kong)	119 HK	2.61	1.2	2.7	NR	n.a.	(25)	13	3.3	2.9	7.5	8.5	9.5	n.a.	104.0	0.3	n.a.	n.a.
Powerlong	1238 HK	4.66	2.5	3.5	NR	n.a.	(2)	24	4.3	3.5	9.5	11.4	15.5	17.8	85.1	0.8	n.a.	n.a.
Road King	1098 HK	11.40	1.1	1.3	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	101.5	n.a.	n.a.	n.a.
Ronshine China	3301 HK	7.70	1.7	3.4	NR	n.a.	n.a.	16	3.0	2.6	8.7	10.0	16.1	14.3	69.9	0.6	n.a.	n.a.
Shui On Land*	272 HK	1.29	1.3	1.9	HOLD	2.05	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	70.1	n.a.	5.1	74.8
Soho China*	410 HK	3.50	2.3	9.8	BUY	3.64	22	23	42.3	34.5	0.0	0.0	1.1	1.3	41.9	0.5	6.1	42.3
SRE Group	1207 HK	0.03	0.1	0.0	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75.0	n.a.	n.a.	n.a.
Sunshine 100 China	2608 HK	1.38	0.5	0.1	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	179.2	n.a.	n.a.	n.a.
Wuzhou Int'l	1369 HK	0.04	0.0	0.0	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Net cash	n.a.	n.a.	n.a.
Yanlord Land*^	YLLG SP	1.05	1.4	1.5	HOLD	1.10	123	25	4.2	3.4	6.5	6.5	8.2	9.5	78.9	0.3	3.3	67.8
Yuzhou Properties*	1628 HK	3.15	2.1	4.2	BUY	4.58	9	16	3.1	2.7	11.1	12.9	19.6	20.1	82.3	0.6	6.1	48.5
Zhenro Properties	6158 HK	4.81	2.7	4.0	NR	n.a.	n.a.	24	5.8	4.7	2.7	3.3	16.1	14.0	83.7	1.0	n.a.	n.a.
Zhong An	672 HK	0.233	0.2	0.2	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.1	n.a.	n.a.	n.a.
<b>Average#</b>							<b>37</b>	<b>19</b>	<b>3.8</b>	<b>3.2</b>	<b>7.4</b>	<b>8.7</b>	<b>13.9</b>	<b>15.4</b>	<b>91.6</b>	<b>0.6</b>		<b>60.7</b>
<b>Average (Overall)#</b>							<b>22</b>	<b>19</b>	<b>4.7</b>	<b>4.0</b>	<b>7.6</b>	<b>9.0</b>	<b>17.3</b>	<b>18.5</b>	<b>83.1</b>	<b>0.8</b>		<b>47.3~</b>

^ Denominated in SGD for price

~ Simple average discount to NAV; Market cap weighted average NAV = 34%

# Exclude outliers ~ Gross Gearing

^^ FY20: FY21; FY21: FY22

Source: Thomson Reuters, \*DBS HK



## PE valuations, 2010 to 2019 trough (based on earnings forecasts)

Company Name	Code	22-Apr	Mkt	20F	21F	Trough	Trough	Trough	Trough	Trough	Trough	Trough	Trough	Trough	Trough
		Price	Cap	PE	PE										
		HK\$	US\$bn	x	x	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
China Overseas*	688 HK	26.05	36.8	7.1	6.3	12.5	6.4	7.0	7.7	6.0	6.6	5.8	5.8	6.0	5.8
CR Land*	1109 HK	30.80	28.3	8.2	7.1	14.3	7.2	10.1	11.9	7.1	8.2	7.1	6.2	6.7	6.7
China Vanke 'H'*	2202 HK	24.50	40.8	5.5	4.9	n.a.	n.a.	n.a.	n.a.	6.3	6.8	6.5	7.3	6.1	6.0
Country Garden*	2007 HK	9.43	26.6	4.2	3.9	10.1	5.0	5.5	6.2	3.8	4.0	4.7	6.3	4.3	3.7
Evergrande*	3333 HK	12.72	21.7	5.4	4.7	3.8	2.9	3.3	4.2	3.4	4.3	6.4	7.7	4.8	4.1
Longfor*	960 HK	37.75	29.2	10.2	8.5	13.8	6.3	5.6	7.4	5.3	5.4	5.5	5.7	6.7	6.9
Shimao Property*	813 HK	30.40	13.6	7.2	5.9	8.5	3.6	3.9	6.4	4.3	3.3	3.1	4.6	4.9	4.6
Sunac China	1918 HK	32.65	19.6	4.4	3.7	4.5	1.4	1.5	3.1	2.2	2.7	3.1	7.8	5.6	4.2
<b>Average</b>				<b>6.5</b>	<b>5.6</b>	<b>9.7</b>	<b>4.7</b>	<b>5.3</b>	<b>6.7</b>	<b>4.8</b>	<b>5.1</b>	<b>5.3</b>	<b>6.4</b>	<b>5.6</b>	<b>5.2</b>
Agile Property*	3383 HK	8.11	4.1	3.5	3.0	7.6	2.5	3.4	3.6	2.2	2.7	3.0	4.4	3.8	3.3
China Aoyuan*	3883 HK	8.81	3.1	3.4	2.7	8.3	4.2	4.2	4.2	2.1	3.1	2.8	3.5	4.0	3.3
China Jinmao Hldgs*	817 HK	5.16	7.8	7.4	5.8	14.5	5.9	5.8	7.1	4.6	5.0	5.0	5.6	5.8	5.1
CIFI Holdings	884 HK	5.52	5.6	4.8	4.0	n.a.	n.a.	n.a.	3.8	3.2	2.7	2.8	3.6	3.6	3.6
Seazen	1030 HK	6.71	5.1	4.3	3.7	n.a.	n.a.	n.a.	2.5	1.9	2.0	3.2	4.9	3.9	3.6
Guangzhou R&F	2777 HK	9.35	1.6	2.5	2.2	6.8	3.2	3.2	4.7	3.8	3.1	3.5	3.7	3.2	2.5
KWVG Property	1813 HK	11.22	4.6	5.1	4.2	6.7	2.6	2.4	3.1	2.4	2.7	2.6	2.8	2.8	2.7
Logan Property*	3380 HK	11.84	8.4	5.2	4.2	n.a.	n.a.	n.a.	n.a.	3.4	3.5	3.7	3.7	4.8	4.8
Shenzhen Inv	604 HK	2.33	2.7	5.5	5.1	6.4	3.8	4.4	6.1	5.2	5.3	6.1	6.4	6.4	6.2
Sino-Ocean Land	3377 HK	1.93	1.9	4.3	3.6	11.3	4.1	5.4	6.7	6.0	5.9	5.1	5.6	3.8	3.7
Times China*	1233 HK	12.32	3.1	3.4	2.8	n.a.	n.a.	n.a.	n.a.	2.2	2.0	1.6	2.3	2.7	2.6
Yuexiu Property*	123 HK	1.47	2.9	5.2	4.3	8.9	4.5	4.5	5.8	5.9	6.3	5.3	7.8	4.8	5.4
<b>Average</b>				<b>4.6</b>	<b>3.8</b>	<b>8.8</b>	<b>3.8</b>	<b>4.2</b>	<b>4.8</b>	<b>3.6</b>	<b>3.7</b>	<b>3.7</b>	<b>4.5</b>	<b>4.1</b>	<b>3.9</b>
BJ Cap Land 'H'	2868 HK	1.67	0.2	n.a.	n.a.	5.1	1.9	2.1	3.4	2.6	3.1	3.5	4.1	4.1	1.9
Central China*	832 HK	3.93	1.4	3.9	3.4	3.9	2.8	2.8	3.5	2.6	2.5	2.3	2.7	4.3	3.6
China Merchants Land	978 HK	1.26	0.8	2.7	2.4	n.a.	n.a.	n.a.	10.3	3.9	4.7	3.3	4.8	4.8	4.8
China SCE	1966 HK	3.29	1.8	3.6	2.9	4.7	3.7	2.9	2.4	5.6	4.5	3.7	4.7	3.2	2.7
China South City^^	1668 HK	0.73	0.8	n.a.	n.a.	6.9	4.3	4.5	4.3	5.1	5.7	5.8	6.9	4.6	4.8
COGO	81 HK	4.59	2.0	3.6	3.0	n.a.	3.7	5.0	6.3	3.1	3.1	2.7	4.2	3.8	3.5
Gemdale Props	535 HK	1.21	2.5	3.7	2.9	n.a.	n.a.	n.a.	10.9	14.1	3.8	5.5	4.2	3.0	2.8
Greenland	337 HK	2.84	1.0	n.a.	n.a.	3.6	1.2	1.0	0.6	11.7	8.0	4.8	4.0	2.8	2.0
Greentown	3900 HK	7.35	2.1	5.0	4.7	6.3	2.0	1.5	3.3	2.3	3.1	3.4	5.5	4.0	3.6
Hopson Dev	754 HK	7.65	2.2	4.6	3.9	4.9	2.8	2.8	5.6	3.9	10.7	12.1	11.0	6.2	5.6
Joy City*	207 HK	0.61	1.1	5.8	n.a.	n.a.	n.a.	n.a.	n.a.	20.3	16.0	13.7	11.2	7.2	6.9
Kaisa Group	1638 HK	2.91	2.3	3.2	2.5	3.2	3.5	2.8	2.6	1.8	1.6	1.8	1.8	2.4	2.5
LVGEM	95 HK	2.26	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	7.5	10.1	14.8	15.9
Minmetals Land	230 HK	1.02	0.4	n.a.	n.a.	6.9	3.8	2.3	4.2	3.6	4.5	7.5	7.5	7.5	4.1
Modern Land (China)	1107 HK	1.07	0.4	3.1	2.5	n.a.	n.a.	n.a.	n.a.	2.3	2.4	2.0	2.5	3.4	3.4
Poly (Hong Kong)	119 HK	2.61	1.2	3.3	2.9	14.9	4.2	4.9	5.2	3.9	5.7	13.0	17.6	3.3	2.7
Powerlong	1238 HK	4.66	2.5	4.3	3.5	5.2	1.5	1.6	3.6	2.8	3.2	2.7	3.1	2.3	2.1
Road King	1098 HK	11.40	1.1	n.a.	n.a.	5.4	2.2	2.4	6.5	6.8	6.8	6.8	6.8	6.8	6.8
Ronshine China	3301 HK	7.70	1.7	3.0	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.6	2.8
Shui On Land*	272 HK	1.29	1.3	n.a.	n.a.	9.4	5.6	6.5	9.1	10.6	5.8	6.4	5.6	4.5	3.9
Soho China*	410 HK	3.50	2.3	42.3	34.5	2.8	5.6	2.8	3.8	4.2	5.6	10.3	29.7	29.7	22.0
SRE Group	1207 HK	0.03	0.1	n.a.	n.a.	1.9	2.2	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sunshine 100 China	2608 HK	1.38	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.7	5.8	5.3	7.8	7.8	7.8
Wuzhou Int'l	1369 HK	0.04	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.3	5.2	22.3	22.3	22.3	22.3
Yanlord Land*^	YLLG SP	1.05	1.4	4.2	3.4	9.3	5.0	7.1	9.3	7.5	7.1	7.0	4.8	3.1	3.1
Yuzhou Properties*	1628 HK	3.15	2.1	3.1	2.7	5.5	2.6	3.6	3.5	2.4	2.1	3.2	3.5	2.6	2.7
Zhenro Properties	6158 HK	4.81	2.7	5.8	4.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.4	4.6
Zhong An	672 HK	0.23	0.2	n.a.	n.a.	7.7	4.1	9.9	5.3	8.3	8.3	8.3	8.3	8.3	8.3
<b>Average#</b>				<b>3.8</b>	<b>3.2</b>	<b>5.6</b>	<b>3.0</b>	<b>3.5</b>	<b>5.0</b>	<b>5.8</b>	<b>5.1</b>	<b>5.4</b>	<b>5.7</b>	<b>5.2</b>	<b>4.6</b>
<b>Average (Overall)#</b>				<b>4.7</b>	<b>4.0</b>	<b>7.5</b>	<b>3.6</b>	<b>4.1</b>	<b>5.3</b>	<b>4.9</b>	<b>4.7</b>	<b>4.9</b>	<b>5.5</b>	<b>5.0</b>	<b>4.5</b>

^ Denominated in SGD for price

# Exclude outliers

^^ FY18: FY19F; FY19: FY20F

Source: Thomson Reuters, \*DBS HK

## PE valuations, 2010 to 2019 peak (based on earnings forecasts)

Company Name	Code	22-Apr	Mkt	20F	21F	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
		Price	Cap	PE	PE										
		HK\$	US\$bn	x	x	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
China Overseas*	688 HK	26.05	36.8	7.1	6.3	20.0	11.9	12.2	11.8	8.8	9.7	8.7	8.9	8.3	7.5
CR Land*	1109 HK	30.80	28.3	8.2	7.1	26.3	15.2	17.6	17.0	12.3	12.8	10.9	9.9	9.6	10.2
China Vanke 'H'*	2202 HK	24.50	40.8	5.5	4.9	n.a.	n.a.	n.a.	n.a.	9.0	11.8	11.8	10.5	11.3	8.2
Country Garden*	2007 HK	9.43	26.6	4.2	3.9	15.9	11.0	8.7	9.5	7.7	6.9	8.4	15.2	13.6	5.9
Evergrande*	3333 HK	12.72	21.7	5.4	4.7	74.1	8.9	6.1	6.4	4.6	14.2	13.2	16.5	9.4	6.3
Longfor*	960 HK	37.75	29.2	10.2	8.5	21.7	14.2	11.9	11.5	7.5	8.7	8.2	11.3	10.3	11.8
Shimao Property*	813 HK	30.40	13.6	7.2	5.9	15.3	9.6	9.5	8.9	7.5	6.1	5.5	7.7	7.9	8.0
Sunac China	1918 HK	32.65	19.6	4.4	3.7	5.8	3.5	5.5	5.5	5.1	6.3	12.4	46.7	19.2	7.1
<b>Average</b>				<b>6.5</b>	<b>5.6</b>	<b>25.6</b>	<b>10.6</b>	<b>10.2</b>	<b>10.1</b>	<b>7.8</b>	<b>9.6</b>	<b>9.9</b>	<b>15.8</b>	<b>11.2</b>	<b>8.1</b>
Agile Property*	3383 HK	8.11	4.1	3.5	3.0	16.0	10.0	6.4	6.9	4.3	5.1	5.6	9.4	8.5	5.6
China Aoyuan*	3883 HK	8.81	3.1	3.4	2.7	18.3	8.3	4.2	4.2	4.2	4.5	4.2	8.0	6.6	7.2
China Jinmao Hldgs*	817 HK	5.16	7.8	7.4	5.8	20.8	16.2	10.0	9.9	8.2	8.2	8.0	11.3	10.3	9.8
CIFI Holdings	884 HK	5.52	5.6	4.8	4.0	n.a.	n.a.	n.a.	5.9	4.4	5.1	5.4	8.4	8.9	6.6
Seazen	1030 HK	6.71	5.1	4.3	3.7	n.a.	n.a.	n.a.	4.4	4.0	6.0	8.1	10.5	9.7	7.2
Guangzhou R&F	2777 HK	9.35	1.6	2.5	2.2	13.7	8.0	7.4	8.1	5.2	4.8	6.0	7.2	6.3	3.9
KWG Property	1813 HK	11.22	4.6	5.1	4.2	16.1	8.2	5.5	5.5	4.3	5.1	3.9	6.1	6.3	6.1
Logan Property*	3380 HK	11.84	8.4	5.2	4.2	n.a.	n.a.	n.a.	n.a.	3.7	6.4	5.9	10.8	8.5	6.6
Shenzhen Inv	604 HK	2.33	2.7	5.5	5.1	10.5	8.8	8.5	11.7	7.9	10.2	10.0	9.0	10.3	8.9
Sino-Ocean Land	3377 HK	1.93	1.9	4.3	3.6	19.8	10.3	12.1	11.9	9.2	9.9	8.2	9.3	8.7	6.9
Times China*	1233 HK	12.32	3.1	3.4	2.8	n.a.	n.a.	n.a.	n.a.	3.1	2.9	3.2	5.0	5.3	5.1
Yuexiu Property*	123 HK	1.47	2.9	5.2	4.3	21.7	11.0	9.1	9.5	8.1	11.1	10.6	10.5	8.2	7.9
<b>Average</b>				<b>4.6</b>	<b>3.8</b>	<b>17.1</b>	<b>10.1</b>	<b>7.9</b>	<b>7.8</b>	<b>5.5</b>	<b>6.6</b>	<b>6.6</b>	<b>8.8</b>	<b>8.1</b>	<b>6.8</b>
BJ Cap Land 'H'	2868 HK	1.67	0.2	n.a.	n.a.	12.1	5.9	4.7	5.2	3.6	6.3	5.9	7.4	6.1	5.2
Central China*	832 HK	3.93	1.4	3.9	3.4	7.8	5.6	6.3	6.3	4.1	4.4	3.9	8.5	8.6	7.3
China Merchants Land	978 HK	1.26	0.8	2.7	2.4	n.a.	n.a.	n.a.	11.5	11.5	13.1	10.1	4.8	4.8	4.8
China SCE	1966 HK	3.29	1.8	3.6	2.9	6.9	5.5	3.8	6.6	5.6	5.6	7.6	7.4	5.7	5.4
China South City^^	1668 HK	0.73	0.8	n.a.	n.a.	20.4	12.3	6.6	6.9	11.8	9.5	10.8	17.2	14.4	4.8
COGO	81 HK	4.59	2.0	3.6	3.0	n.a.	9.8	9.8	10.0	6.4	6.1	6.3	8.8	6.9	5.4
Gemdale Props	535 HK	1.21	2.5	3.7	2.9	n.a.	n.a.	n.a.	21.9	57.7	50.0	10.6	10.0	7.5	4.7
Greenland	337 HK	2.84	1.0	n.a.	n.a.	9.1	3.2	7.6	44.8	28.2	21.6	12.2	7.1	6.3	4.3
Greentown	3900 HK	7.35	2.1	5.0	4.7	15.1	6.1	6.3	6.6	4.5	6.1	7.8	10.8	12.4	7.3
Hopson Dev	754 HK	7.65	2.2	4.6	3.9	7.5	6.4	16.0	15.7	16.1	24.6	22.4	29.8	14.9	10.2
Joy City*	207 HK	0.61	1.1	5.8	n.a.	n.a.	n.a.	n.a.	n.a.	29.7	79.0	31.7	23.7	18.4	11.2
Kaisa Group	1638 HK	2.91	2.3	3.2	2.5	7.8	9.3	6.4	5.9	4.0	2.2	8.2	34.7	16.6	6.0
LV GEM	95 HK	2.26	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	11.3	26.6	22.1	21.8
Minmetals Land	230 HK	1.02	0.4	n.a.	n.a.	20.1	n.a.	7.1	6.9	5.9	7.6	7.5	7.5	7.5	7.5
Modern Land (China)	1107 HK	1.07	0.4	3.1	2.5	n.a.	n.a.	n.a.	n.a.	2.8	5.8	5.8	3.8	5.9	3.8
Poly (Hong Kong)	119 HK	2.61	1.2	3.3	2.9	41.2	16.1	9.8	9.9	6.4	27.9	670.0	637.5	18.8	5.8
Powerlong	1238 HK	4.66	2.5	4.3	3.5	8.2	6.5	5.6	6.7	4.9	4.6	5.3	6.5	6.4	8.1
Road King	1098 HK	11.40	1.1	n.a.	n.a.	7.3	7.0	7.6	7.6	6.8	6.8	6.8	6.8	6.8	6.8
Ronshine China	3301 HK	7.70	1.7	3.0	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.3	4.4
Shui On Land*	272 HK	1.29	1.3	n.a.	n.a.	16.6	17.6	12.6	17.6	17.4	87.1	11.7	8.6	16.3	18.9
Soho China*	410 HK	3.50	2.3	42.3	34.5	6.3	10.9	7.8	4.8	7.3	15.1	37.2	74.5	68.7	34.7
SRE Group	1207 HK	0.03	0.1	n.a.	n.a.	3.7	2.8	2.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sunshine 100 China	2608 HK	1.38	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.7	7.4	8.0	7.8	7.8	7.8
Wuzhou Int'l	1369 HK	0.04	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.4	29.6	22.3	22.3	22.3	22.3
Yanlord Land*^	YLLG SP	1.05	1.4	4.2	3.4	14.6	10.5	15.0	14.7	11.2	12.7	9.8	7.9	5.0	4.4
Yuzhou Properties*	1628 HK	3.15	2.1	3.1	2.7	9.9	5.7	6.5	6.4	4.5	5.2	5.2	6.2	5.4	4.4
Zhenro Properties	6158 HK	4.81	2.7	5.8	4.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.5	9.8
Zhong An	672 HK	0.23	0.2	n.a.	n.a.	19.8	12.3	14.9	10.3	8.3	8.3	8.3	8.3	8.3	8.3
<b>Average#</b>				<b>3.8</b>	<b>3.2</b>	<b>11.9</b>	<b>7.6</b>	<b>8.3</b>	<b>11.4</b>	<b>11.7</b>	<b>13.7</b>	<b>9.8</b>	<b>12.0</b>	<b>9.3</b>	<b>7.1</b>
<b>Average (Overall)#</b>				<b>4.7</b>	<b>4.0</b>	<b>16.6</b>	<b>9.0</b>	<b>8.6</b>	<b>10.1</b>	<b>9.1</b>	<b>10.8</b>	<b>8.9</b>	<b>11.8</b>	<b>9.3</b>	<b>7.2</b>

^ Denominated in SGD for price

# Exclude outliers

^^ FY18: FY19F; FY19: FY20F

Source: Thomson Reuters, \*DBS HK

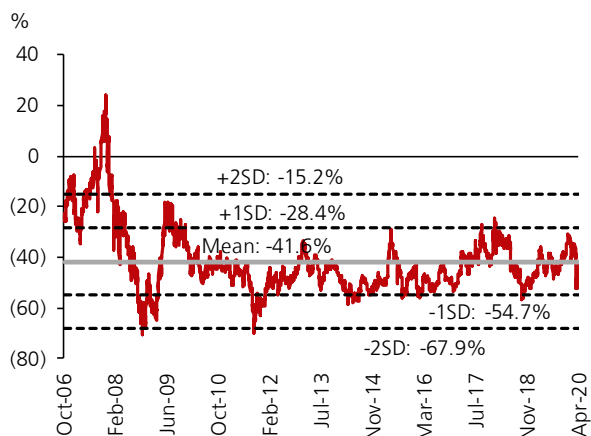
## Share price performance

		Price Performance																2007
		1-wk	2-wk	1-mth	2-mth	3-mth	5-mth	6-mth	YTD	1-yr	2013	2014	2015	2016	2017	2018	2019	high
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Tier 1 players																		
China Overseas	688 HK	1.8	(0.6)	8.8	(3.9)	(7.8)	(2.3)	(1.0)	(14.2)	(9.4)	(5.6)	5.7	21.5	(24.4)	22.4	7.0	12.8	38.8
CR Land	1109 HK	(3.3)	(3.9)	0.7	(12.4)	(13.5)	(10.3)	(7.5)	(20.6)	(8.9)	(8.9)	6.4	14.2	(22.8)	31.9	30.9	28.9	48.8
China Vanke 'H'	2202 HK	(3.9)	(5.8)	(3.0)	(19.4)	(20.5)	(14.5)	(15.2)	(26.3)	(24.1)	(3.2)	43.0	32.4	(22.7)	76.3	(14.7)	25.0	59.7
Country Garden	2007 HK	(1.3)	(0.2)	10.3	(10.9)	(16.4)	(13.3)	(11.5)	(24.4)	(27.1)	15.3	(32.8)	2.6	36.5	243.3	(32.8)	31.0	n.a.
Evergrande	3333 HK	(6.5)	(5.2)	6.4	(31.5)	(34.7)	(34.1)	(31.5)	(41.1)	(49.9)	(30.4)	6.1	117.2	(29.2)	458.0	(13.0)	(7.9)	n.a.
Longfor Properties	960 HK	2.4	(5.4)	13.7	3.7	6.2	16.3	20.0	3.4	32.7	(28.6)	(7.8)	15.7	(14.9)	99.0	19.5	56.0	n.a.
Shimao Property	813 HK	2.0	3.2	33.3	11.4	4.5	9.2	18.5	0.7	25.4	21.9	(2.7)	(20.5)	(26.4)	67.7	22.9	44.5	4.6
Sunac China	1918 HK	(2.5)	(8.4)	(6.8)	(21.6)	(23.7)	(9.7)	(7.1)	(29.9)	(21.8)	(22.5)	69.7	(24.0)	7.5	401.6	(21.2)	82.5	n.a.
Average		(1.4)	(3.3)	7.9	(10.6)	(13.2)	(7.3)	(4.4)	(19.1)	(10.4)	(7.8)	10.9	19.9	(12.1)	175.0	(0.2)	34.1	38.0
Tier 2 players																		
Agile Property	3383 HK	(3.7)	(3.2)	(11.0)	(27.5)	(29.6)	(26.8)	(21.0)	(30.8)	(35.0)	(23.8)	(46.9)	(2.0)	(8.6)	200.3	(22.3)	27.3	(58.8)
China Aoyuan	3883 HK	(2.4)	(3.8)	9.0	(21.1)	(26.1)	(17.4)	(12.3)	(30.6)	(6.4)	11.6	(24.5)	32.5	9.2	141.0	15.9	155.5	n.a.
China Jinmao Hldgs	817 HK	(2.5)	0.2	7.5	(10.7)	(12.7)	(5.0)	0.0	(15.0)	(4.6)	(3.2)	(17.4)	19.4	(21.1)	64.6	2.3	72.4	n.a.
CIFI Holdings	884 HK	(6.1)	(4.0)	21.3	(8.6)	(10.2)	(2.6)	4.2	(16.2)	(1.8)	17.1	(6.1)	12.3	20.8	125.4	(11.7)	58.4	n.a.
Seazen	1030 HK	(5.1)	(5.0)	7.5	(19.0)	(21.9)	(16.2)	(19.9)	(29.2)	(30.0)	(38.3)	(21.7)	86.1	18.7	208.2	9.4	76.9	n.a.
GZ R&F	2777 HK	(6.1)	(9.6)	3.1	(25.8)	(29.4)	(27.0)	(23.7)	(35.0)	(43.5)	(12.1)	(16.3)	0.6	(1.8)	87.8	(32.8)	21.5	(78.5)
KWVG	1813 HK	(1.1)	(1.8)	23.6	(0.7)	(0.9)	32.3	48.0	2.7	19.6	(26.1)	33.5	13.1	(17.8)	107.5	(24.1)	57.6	n.a.
Logan Property	3380 HK	(6.2)	(3.6)	15.2	(8.9)	(12.4)	(0.7)	(1.2)	(9.5)	(8.4)	n.a.	10.0	9.1	11.4	175.8	21.4	33.3	n.a.
Shenzhen Inv	604 HK	(2.9)	(3.3)	6.4	(14.7)	(21.8)	(24.4)	(25.6)	(25.3)	(27.0)	(7.0)	(23.6)	62.8	(14.3)	4.2	(20.1)	20.5	(70.0)
Sino-Ocean	3377 HK	(3.5)	(4.9)	(10.6)	(35.0)	(39.1)	(33.9)	(30.6)	(38.3)	(48.1)	(12.1)	(13.4)	12.7	(30.2)	55.3	(36.0)	(9.3)	n.a.
Times Property	1233 HK	(6.0)	(3.0)	4.4	(13.8)	(21.9)	(10.1)	1.8	(20.7)	(5.1)	n.a.	(5.7)	(18.2)	40.4	102.9	13.1	102.2	n.a.
Yuexiu Property	123 HK	0.7	2.1	9.7	(10.9)	(14.5)	(10.9)	(16.0)	(18.3)	(22.6)	(22.0)	(16.8)	(10.1)	(20.9)	37.7	(1.4)	25.0	(49.0)
Average		(4.1)	(3.8)	6.9	(16.9)	(20.6)	(12.0)	(7.3)	(22.5)	(17.3)	(10.4)	(12.0)	20.8	0.6	115.7	(7.7)	56.0	(69.1)
Tier 3 players																		
BJ Cap. Land	2868 HK	(2.3)	(3.5)	9.2	(24.4)	(29.2)	(30.7)	(31.5)	(23.7)	(42.8)	(18.0)	11.4	20.8	(18.0)	39.5	(30.8)	(14.9)	(75.6)
Central China	832 HK	(2.0)	(5.8)	7.4	(13.2)	(20.4)	(3.0)	0.5	(13.4)	(2.7)	(12.8)	(26.8)	(7.4)	4.3	116.6	(21.3)	57.6	n.a.
China Merchants Lanc	978 HK	0.0	(0.8)	31.3	5.0	(3.8)	9.6	14.5	3.3	(10.0)	18.8	(40.0)	36.8	(28.2)	28.6	(23.6)	10.9	(71.7)
China SCE Property	1966 HK	(5.7)	(6.3)	0.6	(24.4)	(28.0)	(11.1)	(12.7)	(27.5)	(12.5)	16.2	(12.4)	8.0	33.1	44.6	(15.4)	59.3	n.a.
China South City	1668 HK	(1.4)	(1.4)	(1.4)	(17.0)	(27.0)	(20.7)	(21.5)	(26.3)	(42.5)	88.0	60.9	(50.6)	(7.4)	26.5	(45.9)	(10.8)	n.a.
COGO	81 HK	(5.7)	(1.3)	12.5	(18.2)	(21.8)	7.2	10.6	(14.8)	8.0	(20.7)	(46.7)	(16.7)	(22.9)	69.2	(38.3)	109.7	3.8
Gemdale Props	535 HK	(4.7)	(5.5)	16.3	(5.5)	0.8	31.5	28.7	17.5	11.0	60.9	(28.6)	4.0	(8.7)	70.5	(8.6)	39.2	175.0
Greenland	337 HK	(2.1)	(5.3)	11.4	(7.5)	(16.5)	0.4	0.0	(16.0)	(16.7)	90.4	(18.3)	(1.9)	(36.1)	61.1	(38.6)	77.0	(62.0)
Greentown	3900 HK	(0.9)	(3.4)	(11.3)	(26.1)	(30.9)	(7.8)	0.5	(23.2)	(3.7)	(16.6)	(35.0)	0.0	(18.4)	60.2	(41.6)	62.8	(62.4)
Hopson Dev	754 HK	9.6	10.7	31.2	5.2	(5.8)	0.0	0.1	(3.2)	(15.0)	(24.6)	(24.0)	8.7	(10.5)	10.9	(15.4)	21.9	(75.5)
Joy City	207 HK	(4.7)	1.7	3.4	(22.8)	(30.7)	(30.7)	(29.1)	(29.1)	(47.9)	(53.3)	(23.5)	(21.3)	(16.9)	28.6	(32.5)	1.2	(85.6)
Kaisa Group	1638 HK	(0.3)	(2.0)	21.8	(18.5)	(23.8)	(9.1)	(15.7)	(21.8)	(13.9)	4.2	(36.4)	(1.9)	0.0	182.7	(43.3)	48.8	n.a.
Minmetals Land	230 HK	(1.9)	(1.0)	(5.6)	(25.0)	(25.0)	(15.7)	(9.7)	(22.1)	(31.5)	(19.5)	(13.6)	1.1	3.3	40.9	0.0	0.0	(72.5)
Modern Land (China)	1107 HK	3.9	1.9	27.4	(3.6)	(12.3)	(0.9)	(1.8)	(9.3)	(25.2)	n.a.	1.6	98.4	(53.2)	79.5	(42.9)	22.9	n.a.
Poly HK	119 HK	0.8	0.0	14.5	(14.1)	(21.9)	(7.1)	(7.8)	(19.2)	(24.1)	(31.7)	(22.9)	(20.7)	1.6	58.4	(39.8)	31.8	(77.2)
Powerlong	1238 HK	(4.1)	(3.3)	5.2	(6.2)	(4.1)	3.1	(10.7)	(10.4)	15.3	0.6	(34.3)	50.5	39.0	66.2	(18.7)	68.8	n.a.
Road King	1098 HK	(2.9)	(1.2)	12.2	(17.5)	(22.9)	(19.5)	(15.7)	(24.5)	(35.4)	9.6	(11.7)	3.1	(4.6)	109.3	3.6	8.2	(33.3)
Ronshine China	3301 HK	(3.0)	(4.2)	14.9	(13.6)	(17.5)	(14.9)	(15.6)	(28.6)	(32.3)	n.a.	n.a.	n.a.	n.a.	54.5	6.0	16.9	n.a.
Shui On Land	272 HK	(3.7)	0.0	9.3	(20.9)	(27.1)	(18.4)	(18.9)	(24.6)	(33.5)	(31.1)	(23.1)	16.4	(21.6)	29.3	(19.4)	(1.7)	(86.9)
SOHO China	410 HK	1.2	(2.8)	(5.1)	17.4	10.8	26.8	55.6	19.0	15.9	7.4	(18.0)	(31.4)	1.6	37.6	(38.9)	5.4	(66.2)
SRE Group	1207 HK	3.6	0.0	(6.5)	(39.6)	(43.1)	(44.2)	(50.0)	(56.1)	(73.4)	(32.9)	(20.8)	73.8	(45.5)	0.0	(34.7)	(49.2)	(99.1)
Sunshine 100 China	2608 HK	(1.4)	(0.7)	3.8	(0.7)	(1.4)	(2.1)	(2.8)	(3.5)	(12.1)	n.a.	n.a.	21.7	4.8	(5.1)	5.4	(61.4)	n.a.
Wuzhou Int'l	1369 HK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	14.0	(44.9)	(3.7)	11.5	(95.4)	0.0	n.a.
Yanlord Land	YLLG SP	2.9	2.9	6.6	(10.3)	(16.0)	(12.5)	(10.3)	(13.2)	(29.1)	(19.4)	(15.1)	(3.4)	31.3	22.7	(24.7)	(0.8)	(75.1)
Yuzhou Properties	1628 HK	0.0	0.6	6.1	(21.6)	(23.2)	(10.8)	(5.4)	(26.6)	(28.7)	2.9	1.0	7.7	28.6	54.4	(22.5)	32.8	n.a.
Zhenro Properties	6158 HK	(1.8)	0.2	4.6	(6.2)	(6.4)	(6.2)	(10.4)	(14.1)	(9.6)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.4	n.a.
Zhong An	672 HK	(3.7)	(0.4)	5.0	(4.1)	1.3	(0.4)	(8.6)	(1.7)	(23.6)	26.3	(20.8)	(28.9)	(21.0)	187.5	(71.2)	(10.6)	n.a.
Average		(1.0)	(0.9)	8.0	(12.1)	(16.6)	(7.2)	(6.7)	(15.4)	(19.0)	12.2	(10.5)	5.0	(6.5)	55.9	(28.7)	20.0	(35.8)
Average (Overall)		(1.8)	(1.9)	7.8	(12.9)	(16.9)	(8.4)	(6.7)	(17.7)	(17.3)	2.5	(7.2)	11.1	(6.1)	89.8	(18.3)	30.7	(28.2)

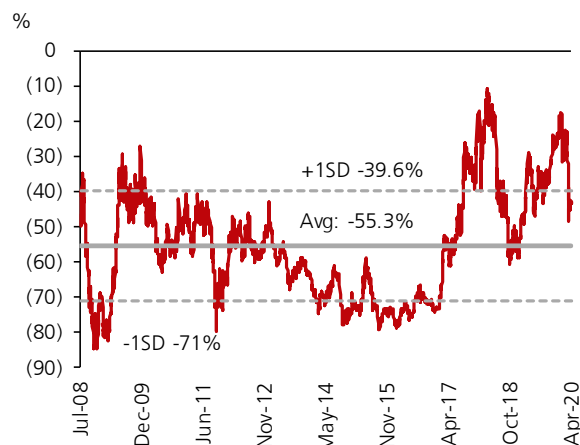
Source: Thomson Reuters

Discount to NAV

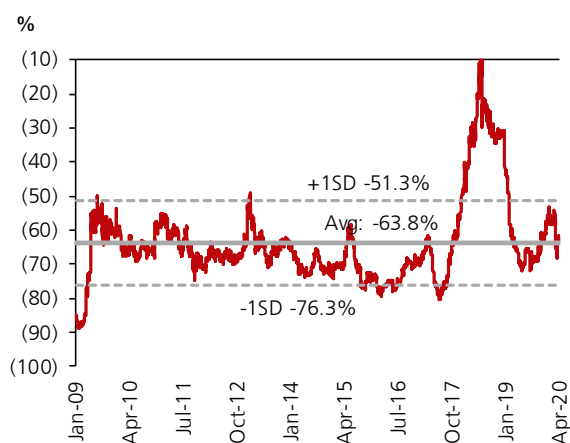
Sector average (DBS coverage only)



Agile Property (3383 HK)



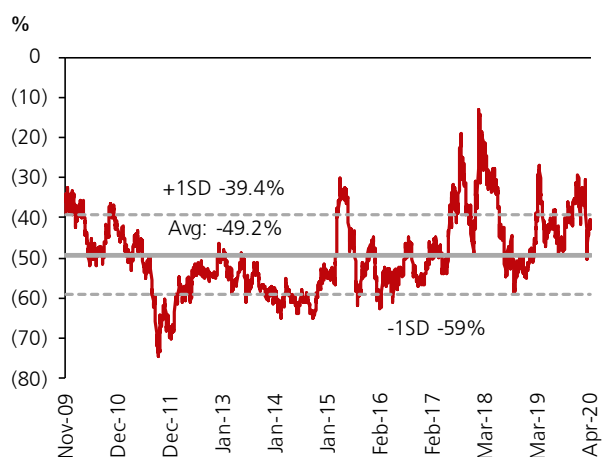
Central China (832 HK)



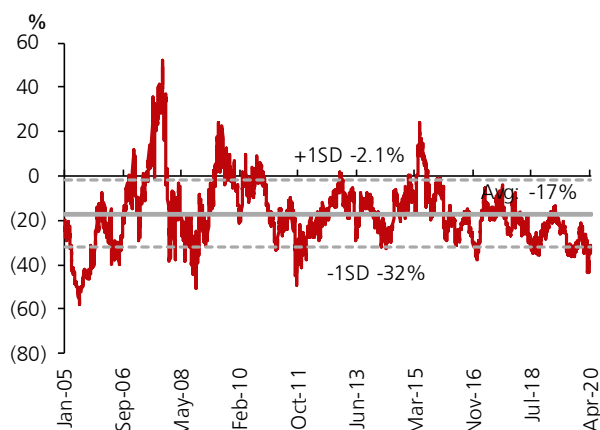
China Aoyuan (3883 HK)



China Jinmao Holdings (817 HK)



China Overseas (688 HK)



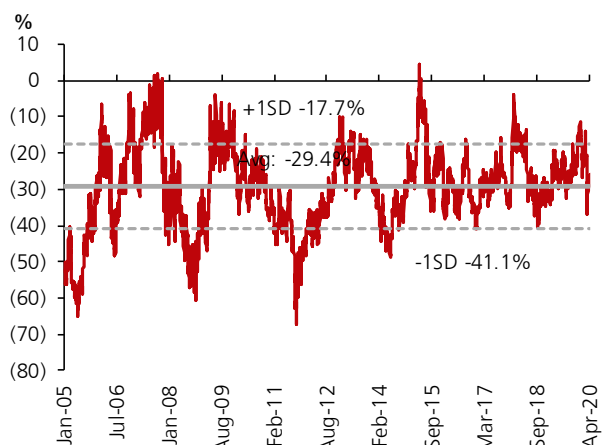
Source: Thomson Reuters, DBS HK

Discount to NAV (continued)

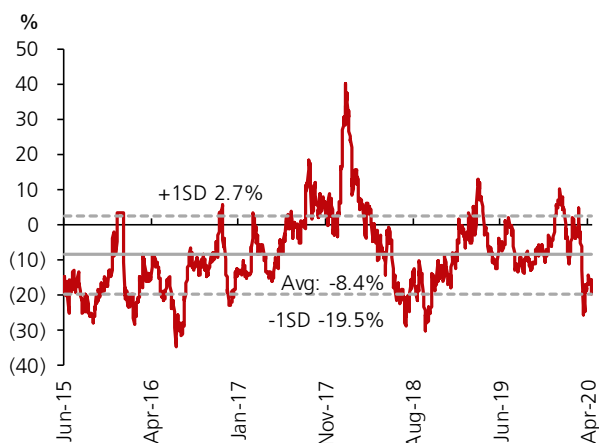
**COGO (81 HK)**



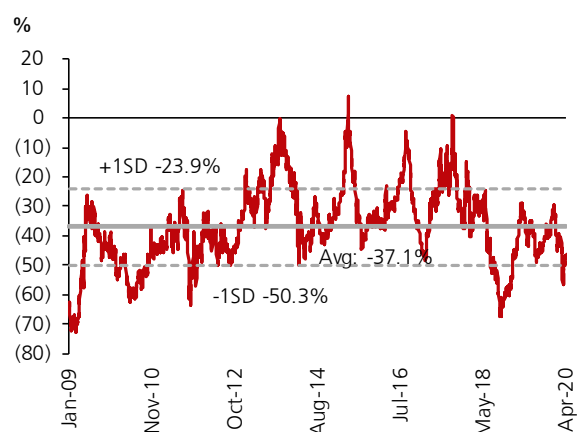
**CR Land (1109 HK)**



**China Vanke (2202 HK)**



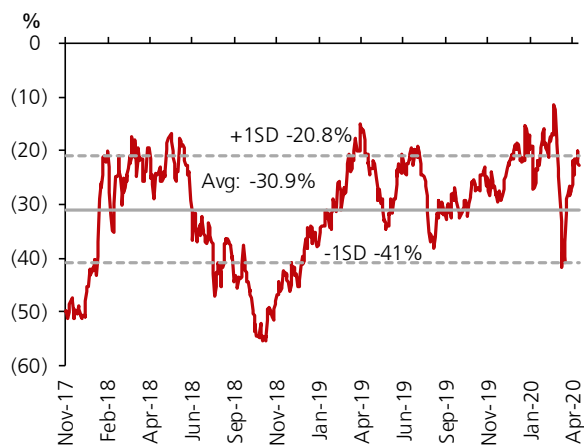
**Country Garden (2007 HK)**



**Evergrande (3333 HK)**



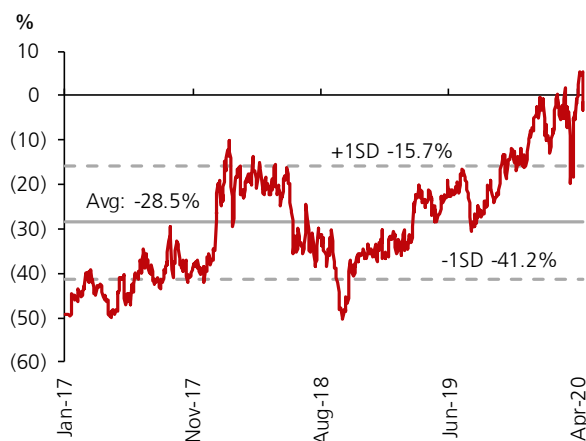
**Logan (3380 HK)**



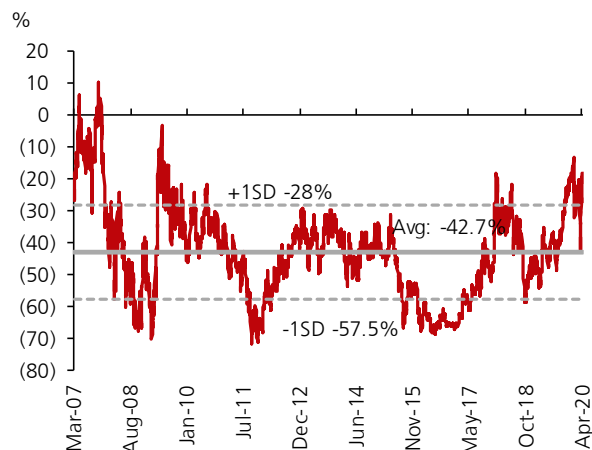
Source: Thomson Reuters, DBS HK

Discount to NAV (continued)

**Longfor (960 HK)**



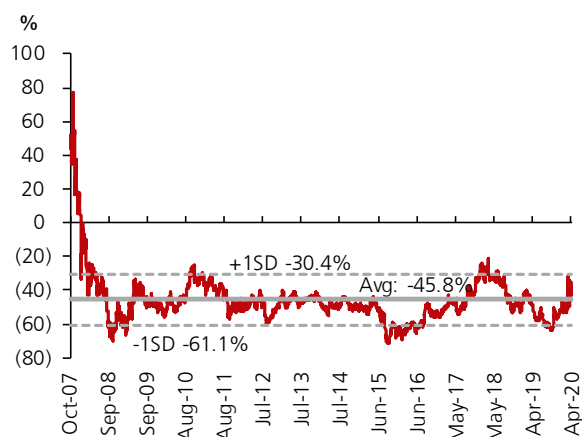
**Shimao Property (813 HK)**



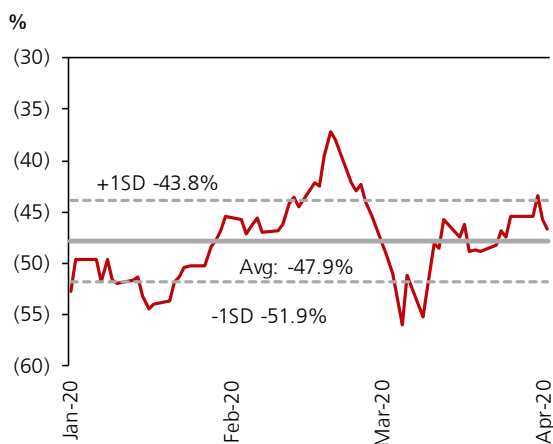
**Sino-Ocean Land (3377 HK)**



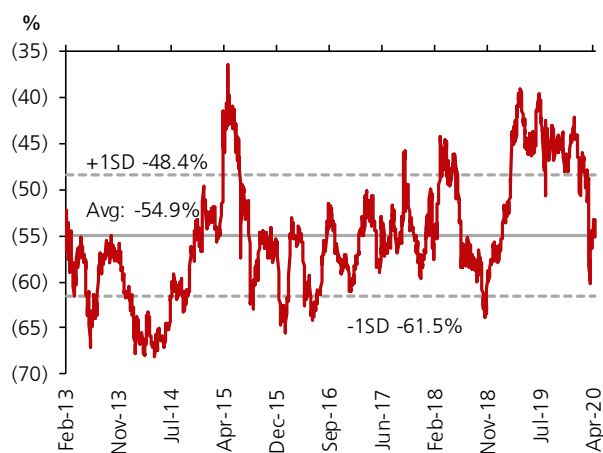
**SOHO China (410 HK)**



**Times China (1233 HK)**



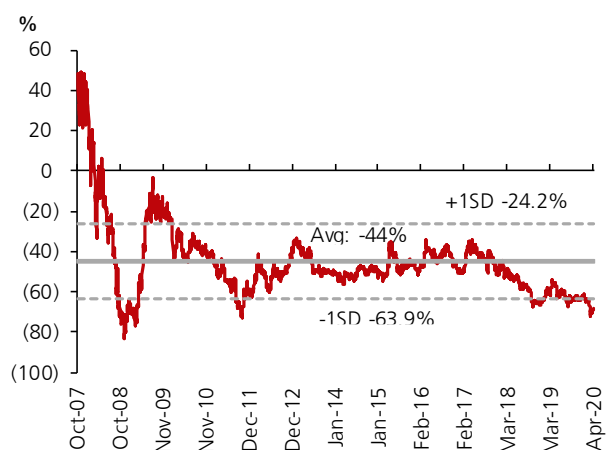
**Yuexiu Property (123 HK)**



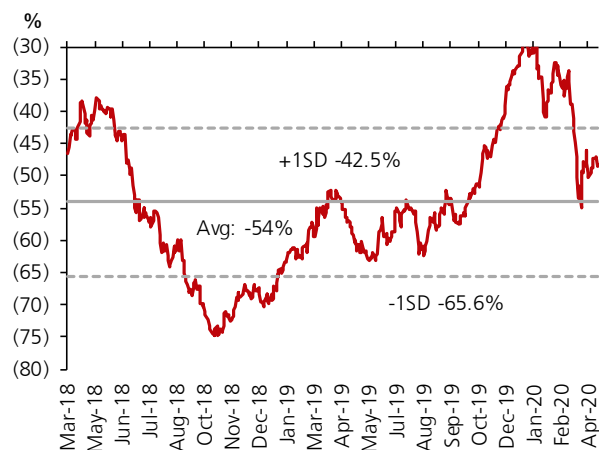
Source: Thomson Reuters, DBS HK

Discount to NAV (continued)

Yanlord Land (YLLG SP)



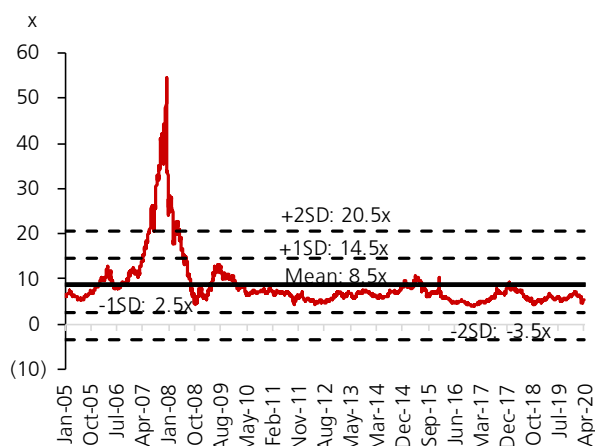
Yuzhou (1628 HK)



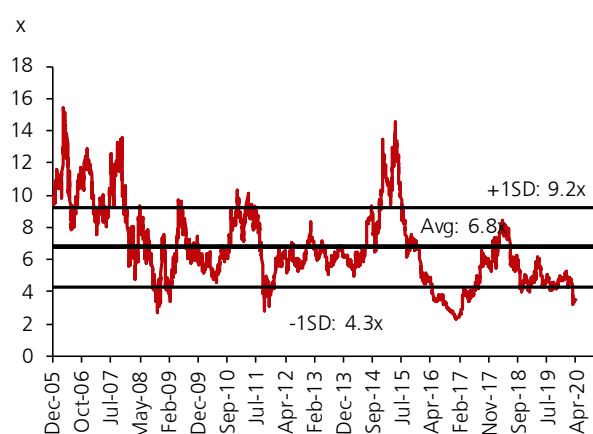
Source: Thomson Reuters, DBS HK

PE charts

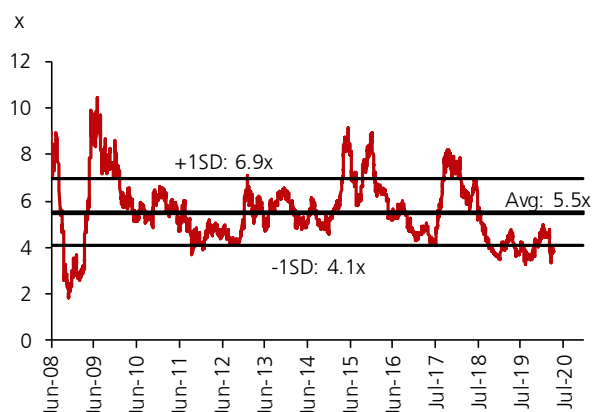
Sector average



Agile Property (3383 HK)



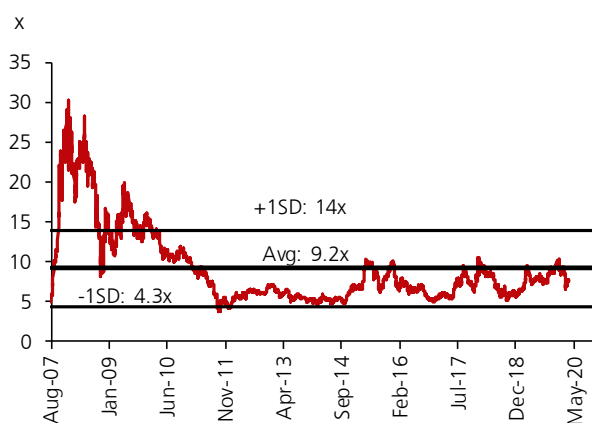
Central China (832 HK)



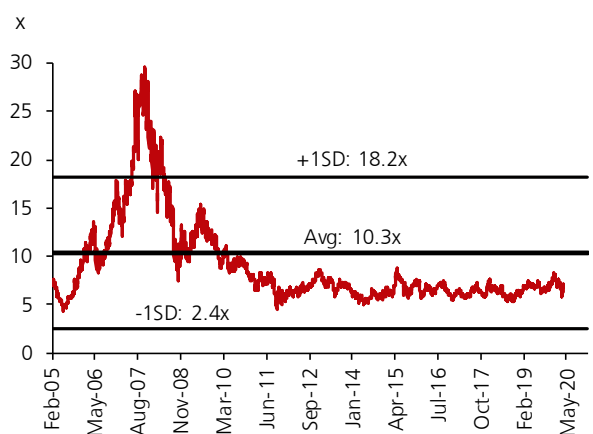
China Aoyuan (3883 HK)



China Jinmao Holdings (817 HK)



China Overseas (688 HK)

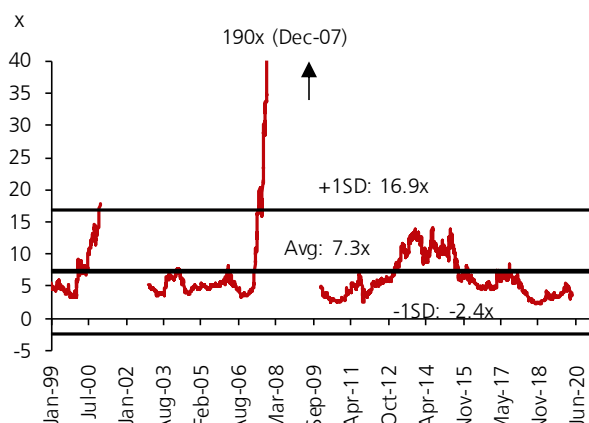


Source: Thomson Reuters, DBS HK

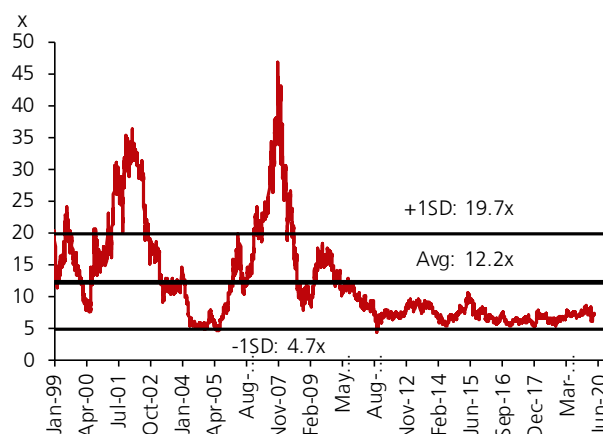


PE charts (continued)

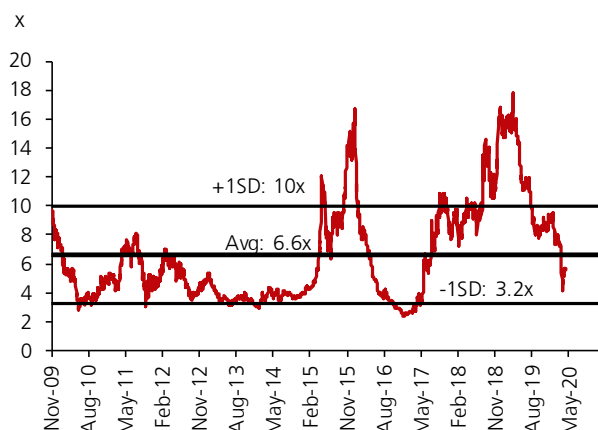
**COGO (81 HK)**



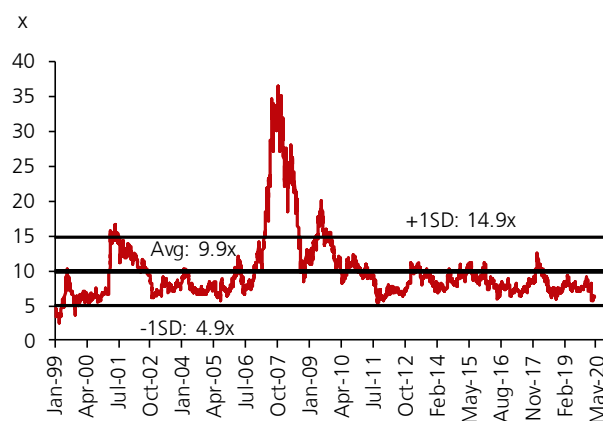
**CR Land (1109 HK)**



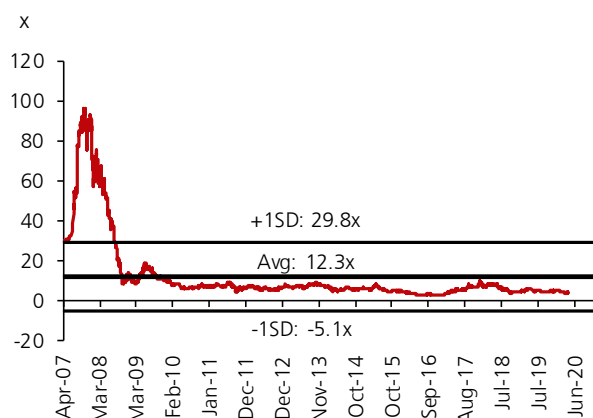
**China Evergrande (3333 HK)**



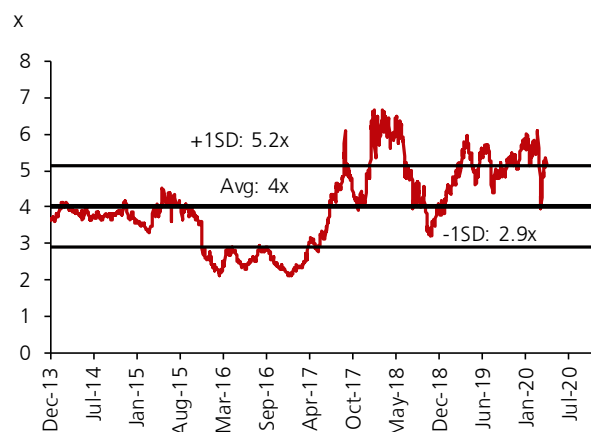
**China Vanke (2202 HK)**



**Country Garden (2007 HK)**



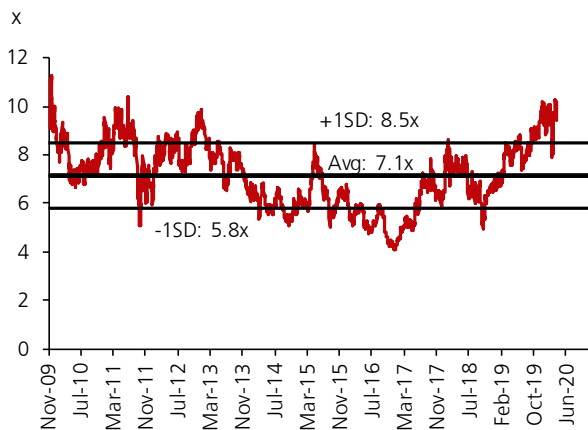
**Logan Property (3380 HK)**



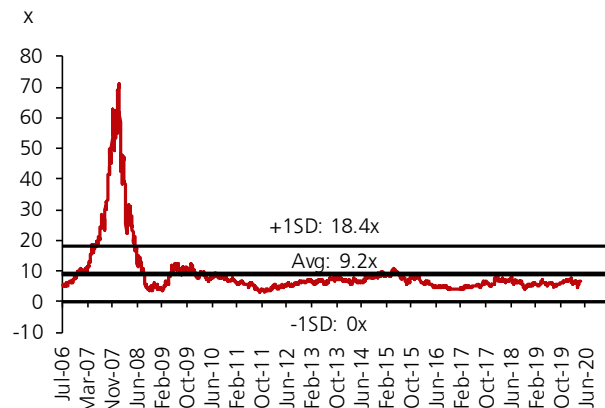
Source: Thomson Reuters, DBS HK

PE charts (continued)

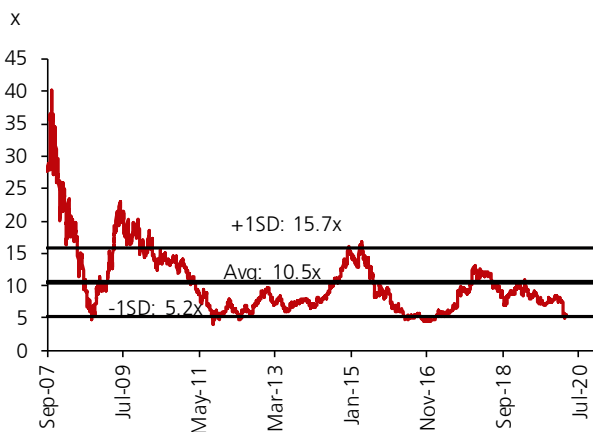
Longfor (960 HK)



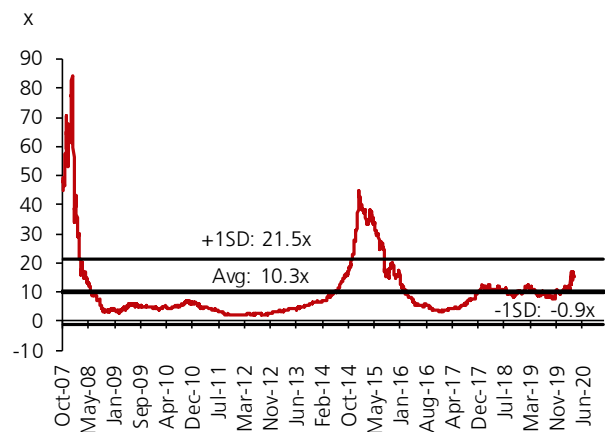
Shimao Property (813 HK)



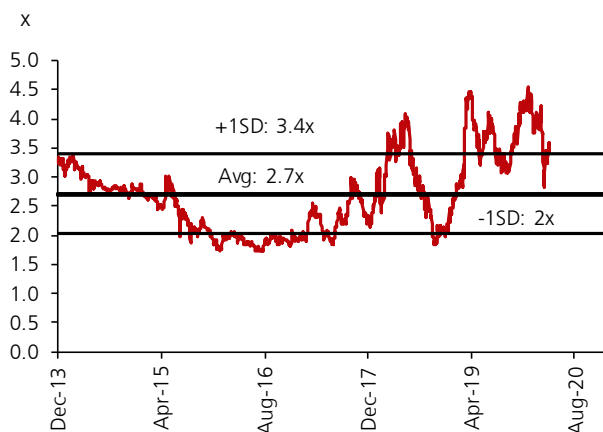
Sino-Ocean Land (3377 HK)



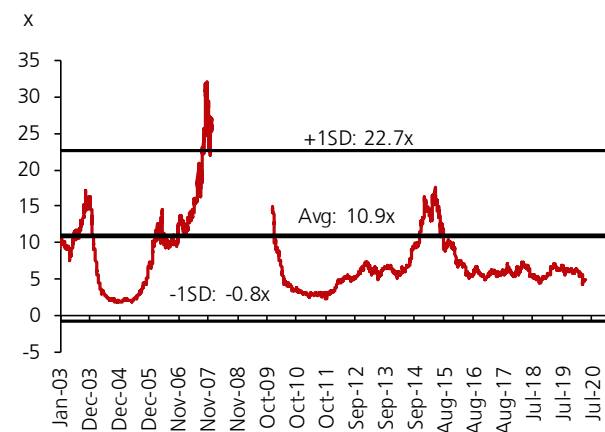
SOHO China (410 HK)



Times China (1233 HK)



Yuexiu Property (123 HK)



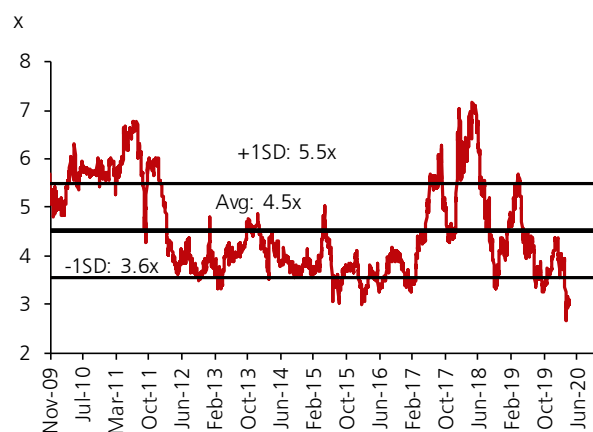
Source: Thomson Reuters, DBS HK

PE charts (continued)

Yanlord (YLLG SP)



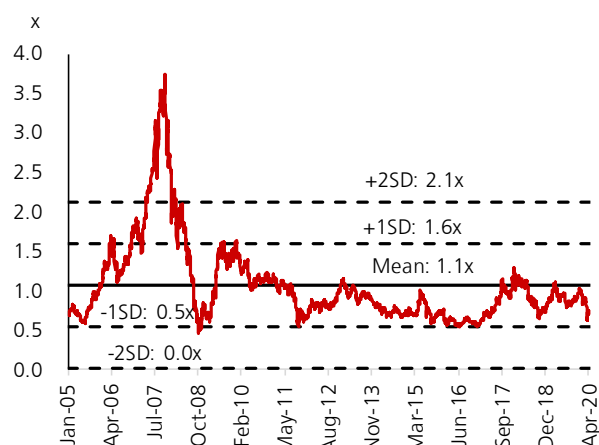
Yuzhou Properties (1628 HK)



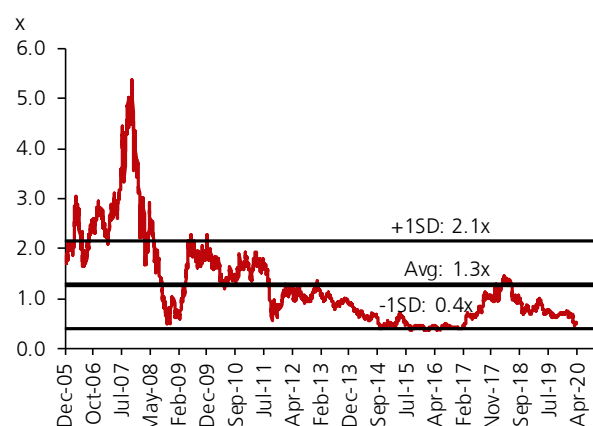
Source: Thomson Reuters, DBS HK

PB charts

Sector average



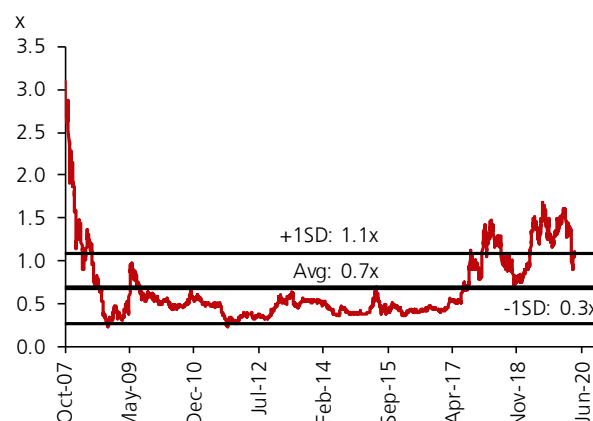
Agile Property (3383 HK)



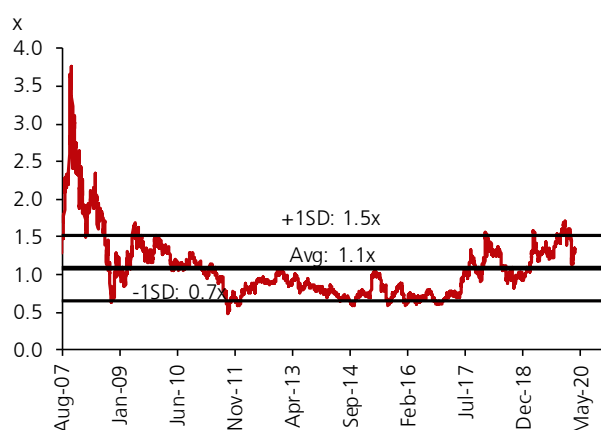
Central China (832 HK)



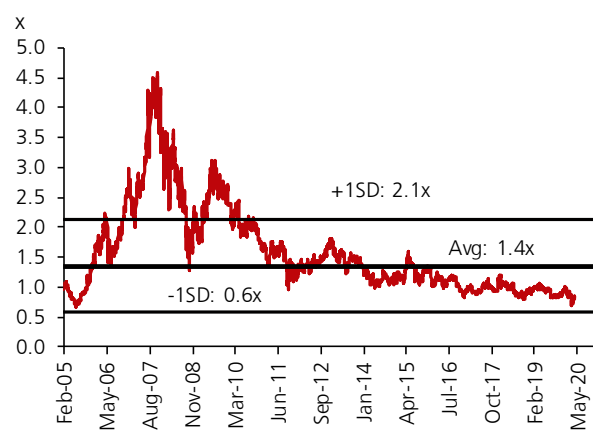
China Aoyuan (3883 HK)



China Jinmao Holdings (817 HK)



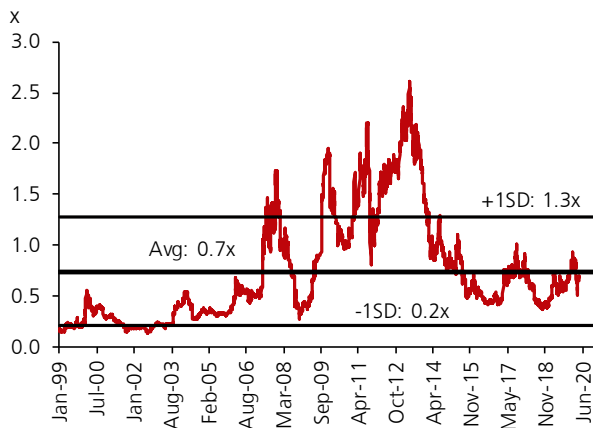
China Overseas (688 HK)



Source: Thomson Reuters, DBS HK

PB charts (continued)

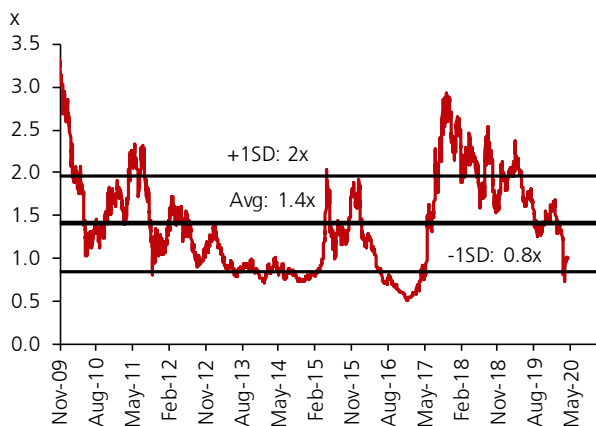
**COGO (81 HK)**



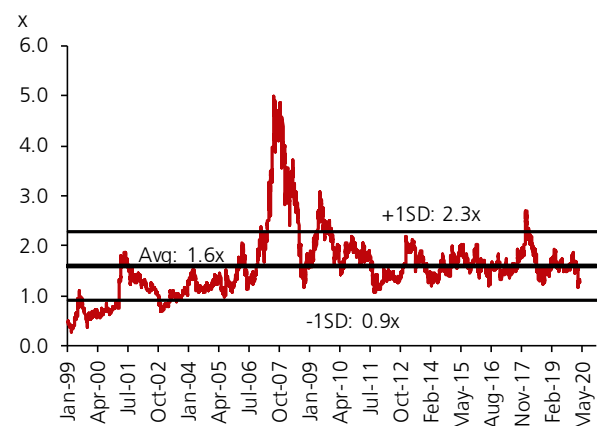
**CR Land (1109 HK)**



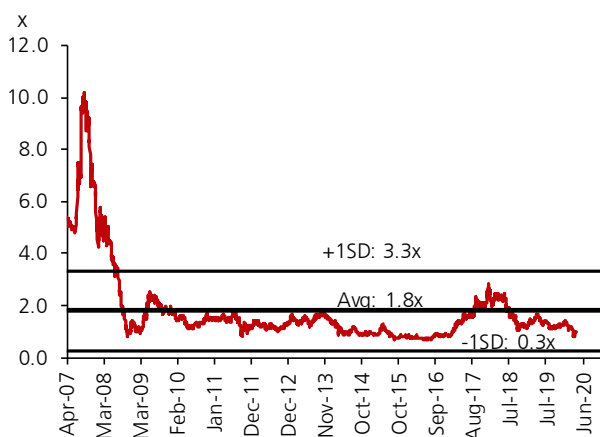
**China Evergrande (3333 HK)**



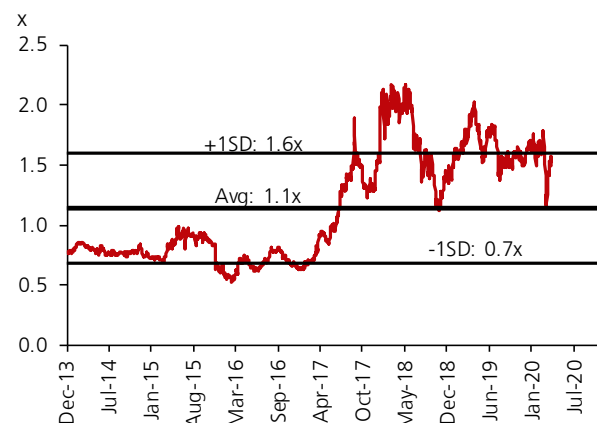
**China Vanke (2202 HK)**



**Country Garden (2007 HK)**



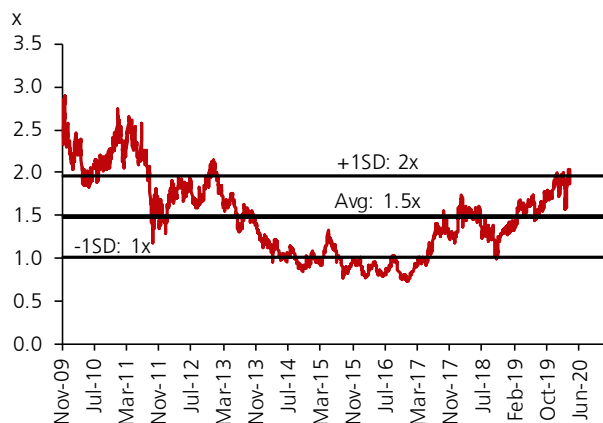
**Logan Property (3380 HK)**



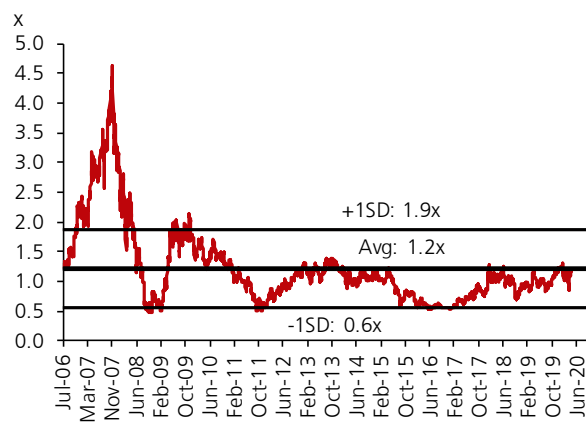
Source: Thomson Reuters, DBS HK

PB charts (continued)

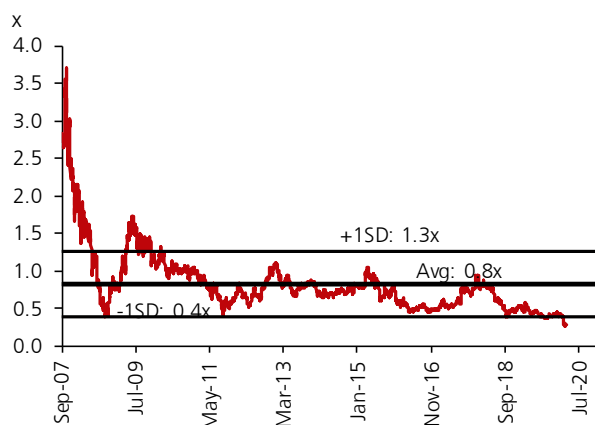
**Longfor (960 HK)**



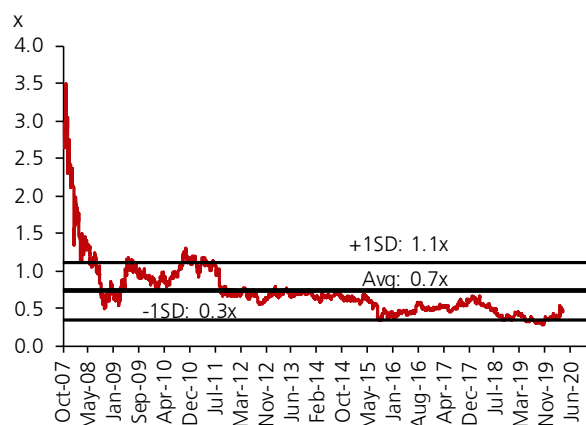
**Shimao Property (813 HK)**



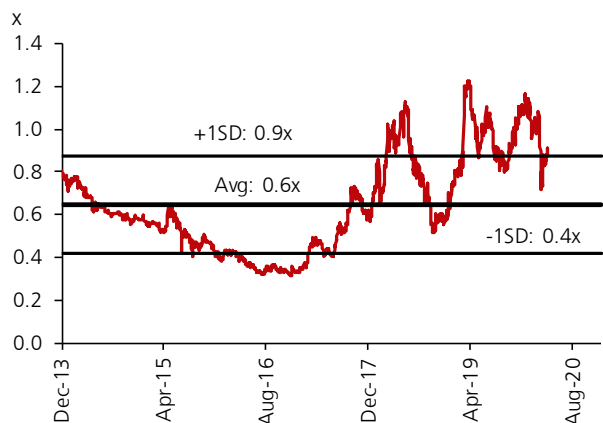
**Sino-Ocean Land (3377 HK)**



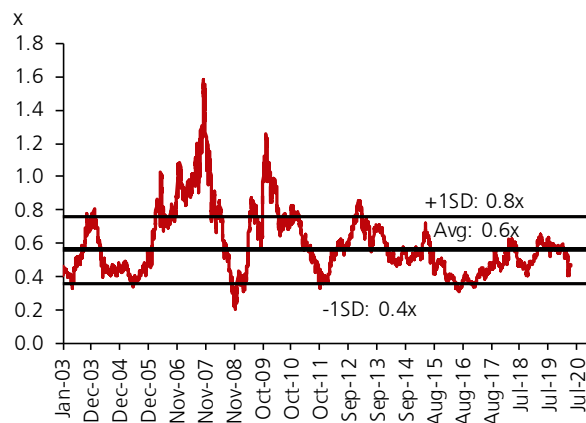
**SOHO China (410 HK)**



**Times China (1233 HK)**



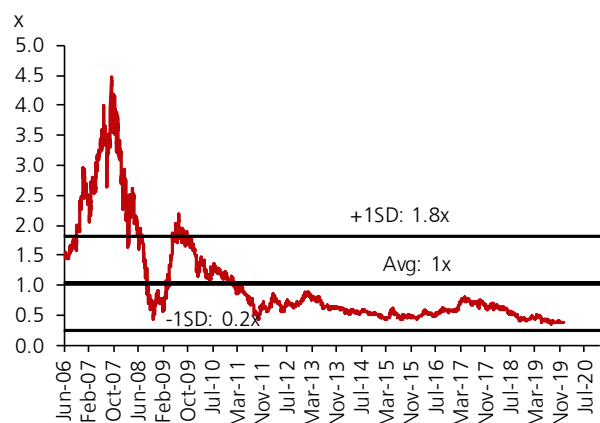
**Yuexiu Property (123 HK)**



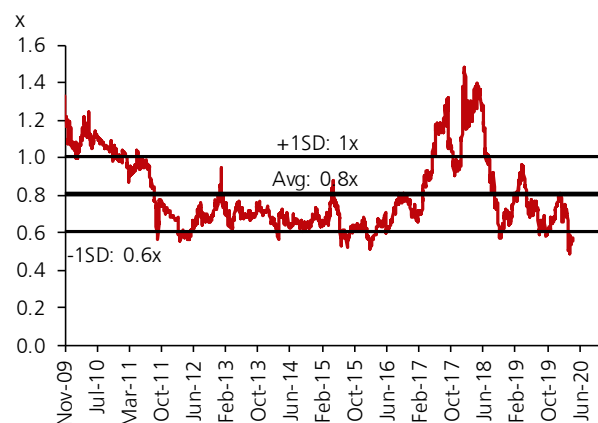
Source: Thomson Reuters, DBS HK

PB charts (continued)

Yanlord (YLLG SP)



Yuzhou Properties (1628 HK)



Source: Thomson Reuters, DBS HK

DBS HK recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*\*Share price appreciation + dividends*

Completed Date: 23 Apr 2020 08:29:38 (HKT)

Dissemination Date: 23 Apr 2020 12:22:50 (HKT)

Sources for all charts and tables are DBS HK unless otherwise specified.

#### GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.



**ANALYST CERTIFICATION**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate<sup>1</sup> does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES**

1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have proprietary positions in China Overseas Land & Investment Ltd (688 HK), China Resources Land Ltd (1109 HK), China Vanke Co Ltd (2202 HK), Country Garden Holdings Co Ltd (2007 HK), China Evergrande Group (3333 HK), Shimao Property Holdings Ltd (813 HK), Sunac China Holdings Ltd (1918 HK), Agile Group Holdings Ltd (3383 HK), China Jinmao Holdings Group Ltd (817 HK), Sino-Ocean Group Holding Ltd (3377 HK) and Zhenro Properties Group Ltd (6158 HK) recommended in this report as of 20 Apr 2020.

DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in Yanlord Land Group Ltd (YLLG SP) recommended in this report as of 31 Mar 2020.

2. Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

3. **Compensation for investment banking services:**

DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from China Overseas Land & Investment Ltd (688 HK), China Resources Land Ltd (1109 HK), China Aoyuan Group Ltd (3883 HK), China Jinmao Holdings Group Ltd (817 HK), Sino-Ocean Group Holding Ltd (3377 HK), Central China Real Estate Ltd (832 HK), Hopson Development Holdings Ltd (754 HK), LVGEM China Real Estate Investment Co Ltd (95 HK), Yanlord Land Group Ltd (YLLG SP) and Seazen Holdings Co Ltd (601155 CH) as of 31 Mar 2020.

4. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for China Overseas Land & Investment Ltd (688 HK), China Resources Land Ltd (1109 HK), China Jinmao Holdings Group Ltd (817 HK), Sino-Ocean Group Holding Ltd (3377 HK), Central China Real Estate Ltd (832 HK), Hopson Development Holdings Ltd (754 HK), LVGEM China Real Estate Investment Co Ltd (95 HK) and Yanlord Land Group Ltd (YLLG SP) in the past 12 months, as of 31 Mar 2020.

DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.


5. **Disclosure of previous investment recommendation produced:**

DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

<sup>1</sup> An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**RESTRICTIONS ON DISTRIBUTION**

<b>General</b>	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
<b>Australia</b>	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
<b>Hong Kong</b>	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
<b>Indonesia</b>	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
<b>Malaysia</b>	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
<b>Singapore</b>	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
<b>Thailand</b>	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
<b>United Kingdom</b>	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
<b>Dubai International Financial Centre</b>	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

<b>United Arab Emirates</b>	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
<b>United States</b>	This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
<b>Other jurisdictions</b>	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

**DBS Bank (Hong Kong) Limited**13<sup>th</sup> Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

DBS Regional Research Offices

**HONG KONG**

**DBS Bank (Hong Kong) Ltd**

**Contact: Carol Wu**

13th Floor One Island East,

18 Westlands Road,

Quarry Bay, Hong Kong

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

**MALAYSIA**

**AllianceDBS Research Sdn Bhd**

**Contact: Wong Ming Tek (128540 U)**

19th Floor, Menara Multi-Purpose,

Capital Square,

8 Jalan Munshi Abdullah 50100

Kuala Lumpur, Malaysia.

Tel.: 603 2604 3333

Fax: 603 2604 3921

e-mail: general@alliancedbs.com

**SINGAPORE**

**DBS Bank Ltd**

**Contact: Janice Chua**

12 Marina Boulevard,

Marina Bay Financial Centre Tower 3

Singapore 018982

Tel: 65 6878 8888

Fax: 65 65353 418

e-mail: equityresearch@dbs.com

Company Regn. No. 196800306E

**INDONESIA**

**PT DBS Vickers Sekuritas (Indonesia)**

**Contact: Maynard Priajaya Arif**

DBS Bank Tower

Ciputra World 1, 32/F

Jl. Prof. Dr. Satrio Kav. 3-5

Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaesearch@dbs.com

**THAILAND**

**DBS Vickers Securities (Thailand) Co Ltd**

**Contact: Chanpen Sirithanarattanakul**

989 Siam Piwat Tower Building,

9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand