

At the Forefront of China Property

Developers Recapitalising Balance Sheets ahead of Interim Results

We are launching “At the Forefront of China Property” as AMTD’s monthly publication. In this periodical report, we will highlight and comment on the latest updates in the China Property sector, including the latest trends in Property Sales, Prices, Real Estate Investment, List Co. fund raising, M&A and latest Property-related Policies, etc.

Consecutive share placements, credit positive, equity overhang

CIFI (884.HK, NR) was the latest developer to have announced a successful equity placement on 7 June 2020, raising US\$150m. This follows after Vanke (2202 HK, NR) announced its US\$1bn share placement on 4 June 2020. We believe the narrow 1.26-4.76% share placement disc. and subsequent share price increases in the following day, reflects the ample liquidity in equity capital markets. Such equity placements will help developers to recapitalize their balance sheets and improve their credit metrics ahead of the 30 June 2020 interim results balance sheet date, in our view. We believe our top picks within our China Property coverage universe, China Aoyuan, Central China and Powerlong, have relatively lower equity placement dilution risk, in our view.

YTD May contracted sales run-rate of 29% still behind 2019’s 34%

National Commodity Property Sales for May came in stronger than our expectations, with RMB1.44tn (+14% YoY) of properties sold. RMB4.6tn of sales have been achieved YTD May, representing 29% of 2019’s Total Commodity Property Sales. By end-May, the listed developers have achieved an average run-rate of ~29%, still slightly behind the ~34% that was achieved by end-May last year. As a result, contracted sales for the rest of the year needs to accelerate further, especially during the traditional low seasons of Jul-Aug, in order to achieve their contracted sales targets of a ~9% growth on average to alleviate cash flow pressure.

Low equity dilution risk for our top picks CCRE, Aoyuan and Powerlong

For our top picks CCRE (832.HK), Aoyuan (3883.HK) and Powerlong (1238.HK), we believe the equity placement risks are relatively lower than their peers. For CCRE, Chairman Wu Po Sum just acquired ~24% stake last July at HK\$4.30/sh, which is still at a ~18% premium to latest share price. For Powerlong, the developer just did an equity placement last Oct and we do not expect another equity placement in the space of such a short period of time. For Aoyuan, we also believe it is unlikely as Chairman Guo and Executive Director Jacky Chan only recently bought back an aggregate of 1.35 million shares at HK\$8.816/sh and HK\$8.371/sh in April and June respectively.

Valuations remain attractive, sector trading at 5.0x 2020 P/E

China Property Developers’ equity valuations remain at inexpensive levels of 5.0x P/E on simple average basis, while our top picks Aoyuan, CCRE and Powerlong are trading at 3.2-4.4x 2020E P/E, respectively. The sector’s market cap weighted P/E implies that it is still trading at a 0.54x SD below the 3-year historical mean. On a P/B basis, the sector is trading at 1.3x P/B, 0.99x SD below the 3-year historical mean.

China Property

Coverage Summary

Ticker	Name	Rating
0832.HK	Central China	Buy
3883.HK	China Aoyuan	Buy
1238.HK	Powerlong	Buy
3662.HK	Aoyuan Healthy Life	Buy
0035.HK	Far East	Buy
0017.HK	New World Dev	Buy
1996.HK	Redsun	Buy
1628.HK	Yuzhou	Buy
0230.HK	Minmetals	Hold
0095.HK	LVGEM	Hold
6111.HK	Dafa	Hold

Source: Company data, AMTD Research

Sales recovered back to Dec-19 levels...



Source: MOHURD, Wind, AMTD Research

... but run-rate is still behind 2019 levels



Source: Bloomberg, Company Data, AMTD Research

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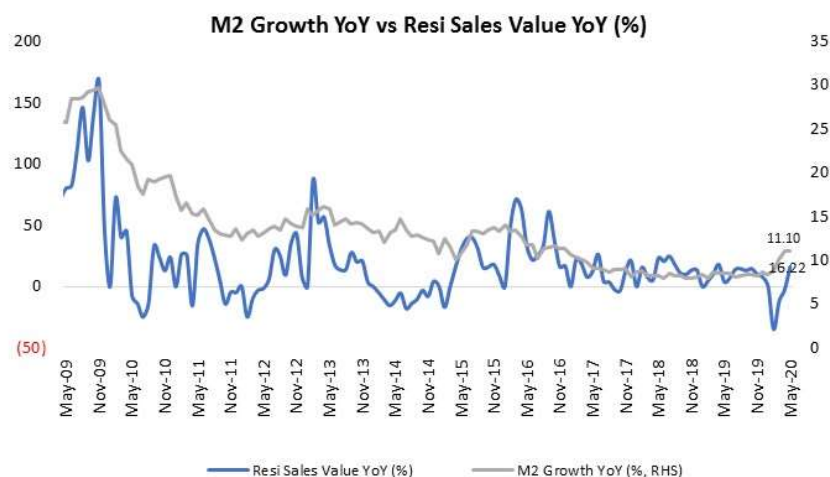
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National Sales Volume and Value

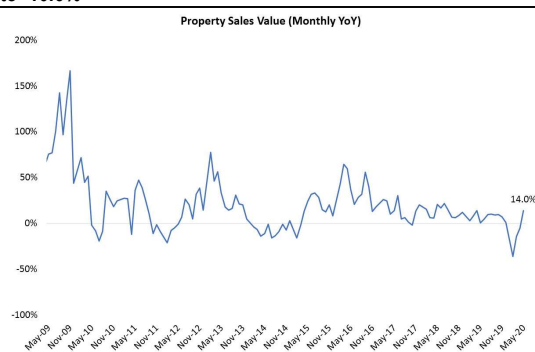
Residential property sales value rebounded strongly in May to ~RMB1.3tn with a monthly YoY growth of 16.2% underpinned by the monetary easing environment, implying that the YTD total residential sales value recorded ~RMB4.1tn, down just 8.4% YoY.

Figure 1: In May, M2 extended the momentum with a YoY of 11.1% and residential property sales value surged by 16.2% (April: -2.58%)



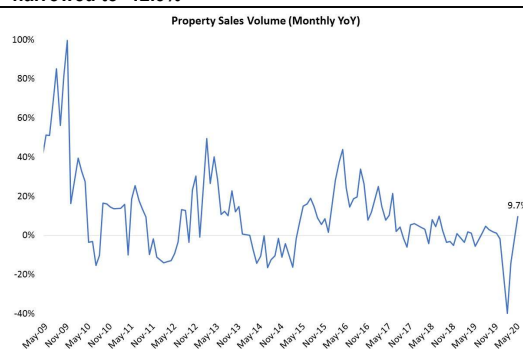
Source: PBoC, NBS, Wind, AMTD Research

Figure 2: Commodity property sales value in May sharply increased by 14.0% and YTD May value YoY growth narrowed to -10.6%



Source: NBS, Wind, AMTD Research

Figure 3: Commodity Property sales volume in May increased by 9.7% and YTD May volume YoY growth narrowed to -12.3%



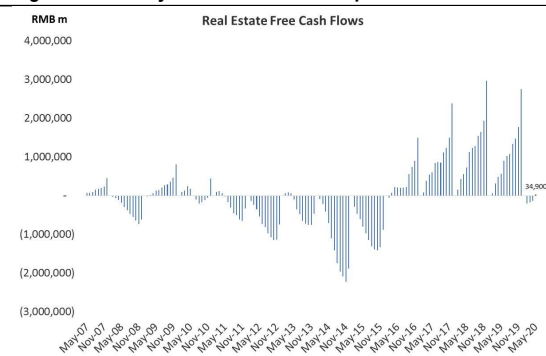
Source: NBS, Wind, AMTD Research

Figure 4: Daily Data – 30-city GFA sold also showed the strong rebound in May

Source: MOHURD, Wind, AMTD Research

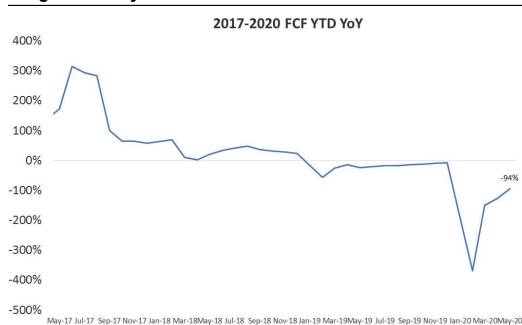
Industry Free Cash Flow

YTD May Industry FCF has returned to positive and recorded ~RMB35bn, thus although cash flow remains tight, the pickup in contracted sales relieved the cash flow burden on developers.

Figure 5: Industry FCF has returned to positive

Source: NBS, Wind, AMTD Research

Note: Real Estate FCF = National Commodity Property Sales Value – National Real Estate Investment

Figure 6: May YTD FCF YoY stood at -94%

Source: NBS, Wind, AMTD Research

Property Prices

New Residential Property Prices

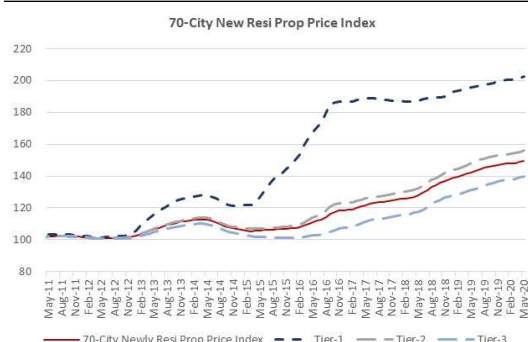
In May, 70-city new residential property prices YoY growth was 4.9% among which Tier-2 cities had the strongest growth of 5.4% in May. Although the MoM growth has been accelerating since Jan, the YoY growth has been declining in positive territory. New residential property price increased in 62 cities on a YoY basis, fewest since June 2018. On an MoM basis, new residential property price increased in 57 cities, higher than 50 in April and 38 in March.

Figure 7: In May, 70-city new residential property price YoY growth was 4.9% and Tier-2 cities had the strongest growth of 5.4%



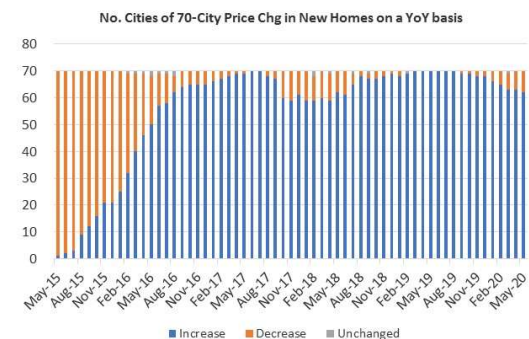
Source: NBS, Wind, AMTD Research

Figure 8: In May, 70-city new residential property price MoM growth was 0.5%, higher than 0.4% in April



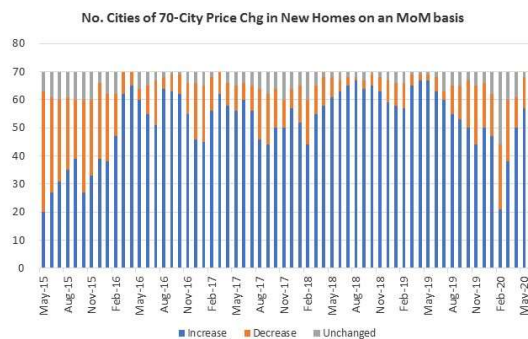
Source: NBS, Wind, AMTD Research

Figure 9: In May, newly-built residential property price increased in 62 cities on a YoY basis, fewest since June 2018



Source: NBS, Wind, AMTD Research

Figure 10: In May, new residential property price increased in 57 cities on an MoM basis, higher than 50 in April and 38 in March



Source: NBS, Wind, AMTD Research

Secondary Residential Property Prices

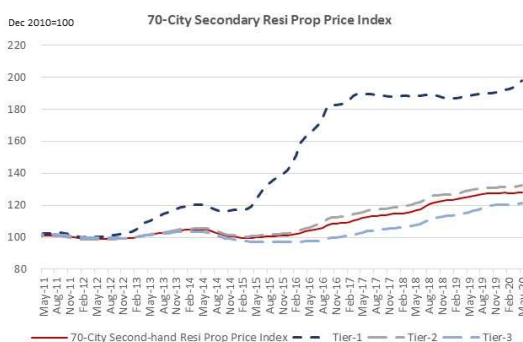
For secondary residential property, 70-city prices YoY growth was 2.2% and Tier-1 cities had the strongest growth of 4.1%, among which Shenzhen was up by 12%, just lower than 15.2% in Tangshan. On an MoM basis, 70-city secondary residential property price MoM growth in May was 0.2%, stable from 0.2% in April.

Figure 11: In May, 70-city secondary residential property price YoY growth was 2.2% and Tier-1 cities had the strongest growth of 4.1%



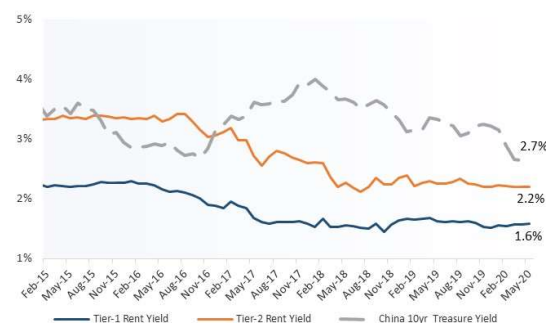
Source: NBS, Wind, AMTD Research

Figure 12: In May, 70-city secondary residential property price MoM growth was 0.2%, stable from 0.2% in April.



Source: NBS, Wind, AMTD Research

Figure 13: Tier-1 and Tier 2 City Secondary Resi Rent Yield



Source: Wind, AMTD Research

Contracted Sales of Listed Companies

As of May, average run rate based on 2020 contracted sales target stood at ~28.8% (2019: ~33.6%). In May, the monthly run rate of top30 was 9.1% and the average monthly run rate should reach 10.2% in the remaining nine months to achieve the target.

In May, contracted sales of top 30 HK-listed developers rose by 15.3% YoY in May and 26 names recorded positive YoY growth, among which our top pick CCRE had YoY growth of 39%. During Jan-May, contracted sales of top 30 HK-listed developers were still down by 4.1% while contracted GFA edged up by 2.4%, implying ASP decreased by 6.4% to RMB13,043/sq.m.

May YTD top30 HK-listed developers' market share of national property sales stood at 42%, narrowing from the 44% April YTD partly due to the national strong rebound in May.

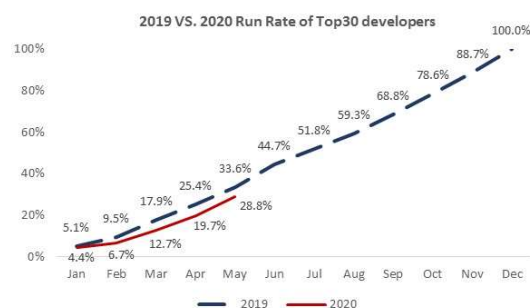
Figure 14: Contracted sales of top 30 HK-listed developers rose by 15.3% in May and 1-5M contracted sales negative growth narrowed to -4.1%. (RMB mn).

Ticker	Name	05/2020	YoY	1-5M 2020	YoY	2020 Target	YoY	Run Rate
3333 HK	Evergrande	60,220	12%	272,790	18%	650,000	8%	42%
2202 HK	Vanke	61,280	6%	247,110	-8%	630,840	0%	39%
2007 HK	COGARD*	56,110	3%	205,990	-7%	607,422	10%	34%
1918 HK	Sunac	45,180	2%	140,700	-14%	600,000	8%	23%
688 HK	China Overseas	26,784	-8%	114,452	-8%	400,000	6%	29%
1030 HK	Future Land	22,412	-9%	71,455	-23%	250,000	-8%	29%
813 HK	Shimao	22,016	37%	80,270	12%	300,000	15%	27%
1109 HK	CR Land	21,220	0%	79,031	-13%	262,000	8%	30%
960 HK	Longfor	22,110	10%	82,320	-2%	260,000	7%	32%
884 HK	CIFI	20,200	26%	55,600	-16%	230,690	15%	24%
817 HK	Jinmao	20,130	51%	65,235	20%	200,000	24%	33%
3301 HK	Ronshine	12,784	15%	40,729	-13%	158,275	12%	26%
2777 HK	R&F*	10,620	1%	36,550	-17%	152,000	10%	24%
3377 HK	Sino-Ocean	8,210	-19%	31,760	-27%	130,000	0%	24%
3900 HK	Greentown	12,200	20%	42,500	15%	155,710	15%	27%
3383 HK	Agile	13,840	24%	40,210	-12%	117,970	0%	34%
3883 HK	Aoyuan	10,250	2%	33,280	-13%	132,227	12%	25%
3380 HK	Logan*	11,560	14%	37,250	8%	115,406	20%	32%
1813 HK	KWG*	9,151	45%	28,703	1%	103,300	20%	28%
1638 HK	Kaisa	9,052	24%	27,061	-3%	100,000	13%	27%
1966 HK	SCE	9,109	69%	28,149	5%	93,000	16%	30%
2868 HK	BCL	8,790	46%	19,650	-21%	80,000	-1%	25%
1233 HK	Times	7,520	26%	24,606	-2%	82,300	5%	30%
1628 HK	Yuzhou	10,751	109%	30,740	44%	100,000	33%	31%
123 HK	Yuxiu	11,238	47%	25,837	-10%	80,200	11%	32%
1996 HK	Redsun	8,856	66%	20,641	1%	75,000	15%	28%
832 HK	CCRE**	5,855	39%	21,932	37%	80,000	11%	27%
1238 HK	Powerlong	7,350	14%	21,205	-6%	75,000	24%	28%
337 HK	Greenland	5,247	79%	10,256	-53%	55,000	14%	19%
1777 HK	Fantasia	3,810	39%	11,506	21%	45,000	24%	26%
Total		553,855	15.3%	1,947,518	-4.1%	6,321,340	8.7%	28.8%

Source: Bloomberg, Company Data, AMTD Research

Note: May and 1-5M 2020 YoY average are weighted and run rate average is simple

* denotes attributable contracted sales; **denotes heavy-asset contracted sales; Blue font denotes AMTD coverage

Figure 15: Run rate of Top30 developers on average was 28.8% in May

Source: Bloomberg, Company Data, AMTD Research

Figure 16: Top 30 HK-listed developers' market share of national property sales stood at 42% in 1-5M20

Source: NBS, Bloomberg, Company Data, AMTD Research

Monthly Contracted Sales of AMTD Coverage

Contracted sales in May

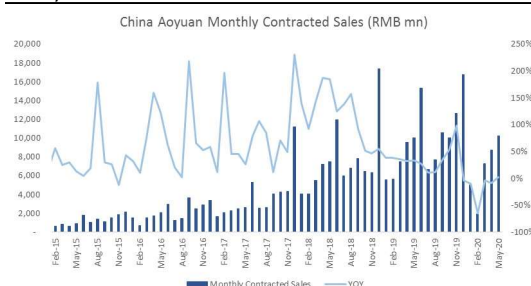
- CCRE achieved heavy-asset property contracted sales of RMB5,855 mn (YoY 39%);
- Aoyuan achieved property contracted sales of RMB10,250 mn (YoY 2%);
- Powerlong achieved property contracted sales of RMB7,350 mn (YoY 14%);
- Yuzhou achieved property contracted sales of RMB10,751 mn (YoY 109%);
- Redsun achieved property contracted sales of RMB8,856 mn (YoY 66%).

YTD May contracted sales

- CCRE achieved heavy-asset property contracted sales of RMB21,932 mn (YoY 37%);
- Aoyuan achieved property contracted sales of RMB33,280 mn (YoY -13%);
- Powerlong achieved property contracted sales of RMB21,205 mn (YoY -6%);
- Yuzhou achieved property contracted sales of RMB30,740 mn (YoY 44%);
- Redsun achieved property contracted sales of RMB20,641 mn (YoY 1%).

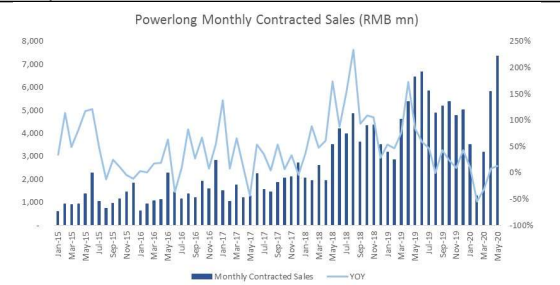
Figure 17: CCRE Monthly Contracted Sales (Value vs YoY)

Source: Company Data, AMTD Research

Figure 18: Aoyuan Monthly Contracted Sales (Value vs YoY)

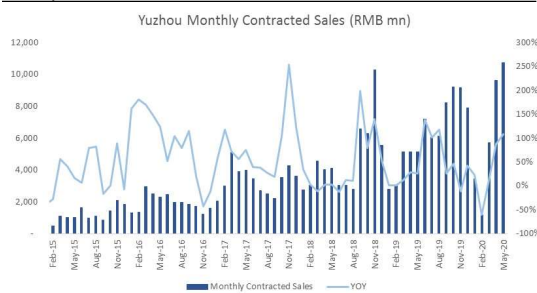
Source: Company Data, AMTD Research

Figure 19: Powerlong Monthly Contracted Sales (Value vs YoY)



Source: Company Data, AMTD Research

Figure 20: Yuzhou Monthly Contracted Sales (Value vs YoY)



Source: Company Data, AMTD Research

Figure 21: Redsun Monthly Contracted Sales (Value vs YoY)



Source: Company Data, AMTD Research

Contracted Sales of HK-listed Developers

Figure 22: In May, more names recorded positive YTD May contracted sales growth and our top pick CCRE outperformed the sector with 1-5M 2020 YoY growth of 37.0%

Company	Ticker	1-5M 2020	2020 Target	2019	2018	2017	2016	2015
Evergrande	3333 HK Equity	17.8%	8.1%	9.0%	10.1%	34.2%	85.4%	53.1%
Vanke	2202 HK Equity	-7.7%	0.0%	3.9%	14.5%	45.3%	39.5%	21.5%
COGARD	2007 HK Equity	-7.0%	10.0%	10.0%	-8.9%	78.3%	120.3%	8.8%
Sunac	1918 HK Equity	-13.9%	7.9%	20.7%	27.3%	133.1%	127.7%	3.6%
Poly RE	600048 CH Equity	-17.6%	N/A	14.1%	30.9%	47.2%	36.3%	12.8%
China Overseas	688 HK Equity	-8.3%	6.1%	42.2%	35.6%	4.1%	25.0%	33.7%
CSCEC	601668 CH Equity	N/A	N/A	26.8%	31.8%	17.1%	26.2%	21.7%
Future Land	1030 HK Equity	-23.1%	-7.7%	22.5%	74.8%	94.4%	103.8%	30.3%
Shimao	813 HK Equity	11.5%	15.4%	47.6%	74.8%	47.9%	1.6%	-4.5%
CR Land	1109 HK Equity	-12.5%	8.0%	15.1%	64.3%	33.1%	36.0%	28.2%
Longfor	960 HK Equity	-2.2%	7.2%	20.9%	28.5%	77.1%	61.6%	11.2%
CIFI	884 HK Equity	-15.9%	15.0%	32.0%	46.2%	96.2%	75.4%	42.4%
Gemdale	600383 CH Equity	4.9%	N/A	29.7%	15.3%	113.9%	6.7%	25.8%
Jinmao	817 HK Equity	19.8%	24.4%	28.7%	115.4%	54.8%	34.7%	49.9%
Ronshine	3301 HK Equity	-12.7%	12.0%	15.9%	142.6%	103.9%	106.8%	N/A
R&F	2777 HK Equity	-17.4%	10.0%	5.4%	60.1%	34.5%	11.9%	0.0%
Sino-Ocean	3377 HK Equity	-26.8%	0.0%	18.7%	55.2%	40.1%	24.3%	1.0%
Greentown	3900 HK Equity	14.9%	15.0%	33.8%	-2.0%	7.8%	33.2%	-9.4%
Agile	3383 HK Equity	-11.8%	0.0%	14.9%	14.4%	69.8%	19.4%	0.2%
Aoyuan	3883 HK Equity	-13.2%	12.0%	29.3%	100.2%	78.1%	68.8%	24.1%
Midea	3990 HK Equity	-1.6%	N/A	28.1%	55.8%	146.1%	85.6%	N/A
Logan	3380 HK Equity	8.1%	20.2%	33.7%	65.4%	51.2%	40.0%	53.6%
KWVG	1813 HK Equity	0.8%	20.0%	31.5%	128.3%	28.6%	10.4%	-1.5%
Kaisa	1638 HK Equity	-2.7%	13.5%	25.8%	56.7%	49.8%	222.5%	-60.0%
SCE	1966 HK Equity	5.0%	15.5%	56.7%	54.5%	41.3%	62.1%	21.9%
BCL	2868 HK Equity	-20.8%	-1.0%	14.4%	26.5%	22.7%	40.0%	30.8%
Times	1233 HK Equity	-2.1%	5.0%	29.3%	45.6%	41.9%	50.3%	28.3%
Yuzhou	1628 HK Equity	44.4%	33.1%	34.1%	38.9%	73.7%	65.5%	16.8%
Yuexiu	123 HK Equity	-10.5%	11.2%	24.8%	41.4%	35.1%	21.7%	12.9%
Redsun	1996 HK Equity	1.5%	15.1%	37.7%	N/A	N/A	N/A	N/A
CCRE	832 HK Equity	37.0%	11.4%	33.8%	76.5%	51.0%	28.0%	1.2%
Powerlong	1238 HK Equity	-5.8%	24.3%	47.1%	96.5%	18.4%	23.3%	36.7%
Greenland	337 HK Equity	-52.5%	13.5%	27.8%	26.0%	65.3%	4.8%	34.5%
Poly Prop	119 HK Equity	9.0%	N/A	20.2%	12.5%	2.6%	24.7%	29.7%
Modern	1107 HK Equity	-12.9%	16.0%	14.2%	42.9%	33.9%	46.8%	57.2%
Fantasia	1777 HK Equity	21.0%	24.3%	20.0%	49.6%	65.2%	8.3%	10.3%
Jiayuan	2768 HK Equity	24.1%	24.7%	43.1%	94.6%	N/A	N/A	N/A
Jingrui	1862 HK Equity	-20.4%	0.0%	-0.3%	37.4%	9.5%	93.0%	-4.5%
Hopson	754 HK Equity	-10.7%	N/A	61.2%	69.6%	7.6%	-13.0%	94.5%
Sunshine 100	2608 HK Equity	-42.2%	N/A	-14.5%	14.0%	1.8%	39.0%	12.4%
SOL	272 HK Equity	N/A	12.0%	-14.0%	-32.0%	-7.0%	6.8%	120.6%
Yida China	3639 HK Equity	-45.0%	N/A	-15.2%	17.5%	N/A	N/A	N/A
Minmetals	230 HK Equity	N/A	N/A	44.0%	-11.5%	-35.0%	43.7%	21.2%
Dafa	6111 HK Equity	N/A	15.0%	67.8%	204.1%	N/A	N/A	N/A
Lvgem	95 HK Equity	N/A	N/A	48.1%	17.1%	337.8%	162.8%	N/A
Top 30 Developers YoY		-4.1%	8.7%	20.1%	31.5%	52.9%	54.8%	18.3%

Source: Company Data, AMTD Research

Light yellow on company name denotes AMTD coverage

Real Estate Investment

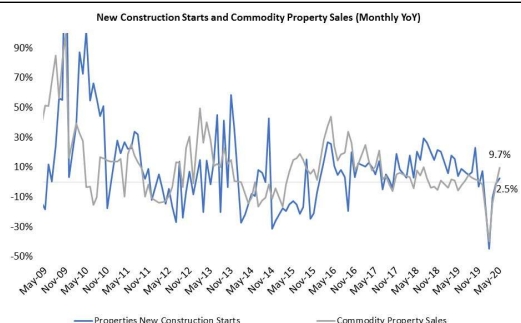
In May, real estate investment extended the momentum to achieve ~RMB1.3tn with a YoY growth of 8.1% and the YTD May YoY growth of property under construction stood at 2.3%. YTD May, real estate investment has reached RMB4.6tn, implying a YoY growth of -0.3%.

Figure 23: In May, real estate investment and property under construction increased by 8.1% and 2.3% respectively. In 1-5M, real estate investment declined by 0.3% to RMB4.6tn



Source: NBS, Wind, AMTD Research

Figure 24: New construction starts in May/YTD increased by 2.5% and -12.8%.



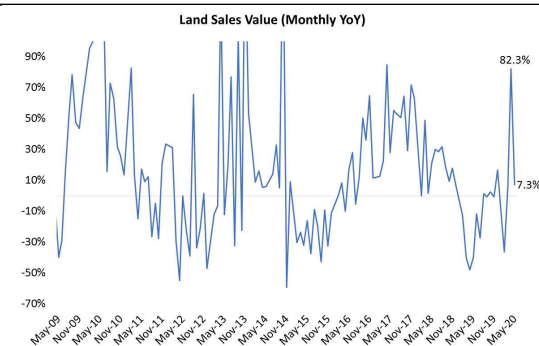
Source: NBS, Wind, AMTD Research

Land Market

In May, national land sales value recorded ~RMB73bn, implying YTD May value reached ~RMB243bn. Land market has returned to normal level with a monthly YoY growth of 7.3% from the aggressive April with a monthly YoY growth of 82.3%. Land sales volume lagged behind the recovery of value with a YTD YoY growth of -8.1%.

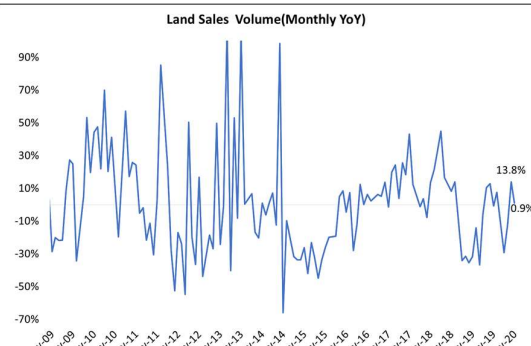
100-city residential land premium rate stood at 17% in May, stable from March and April. Tier-1 cities' premium rate increased to 18% in May from 7% in April, while the uptrend in Tier-3 cities has declined to 19% in May from 27% in April.

Figure 25: Land sales value in May/1-5M rose by 7.3% and 7.1% YoY



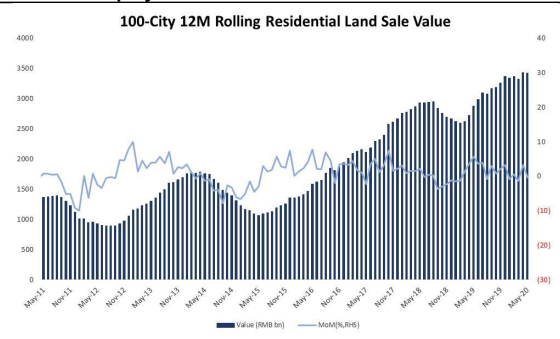
Source: NBS, Wind, AMTD Research

Figure 26: Land sales volume in May/1-5M increased by 0.9% and -8.1% YoY



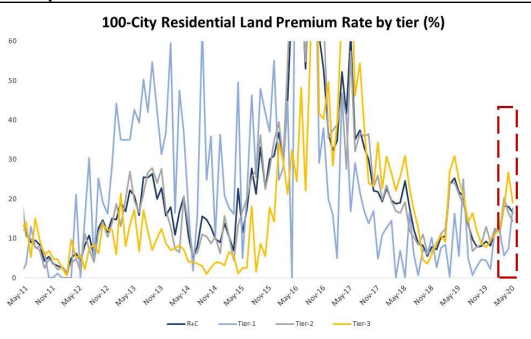
Source: NBS, Wind, AMTD Research

Figure 27: In May, 12M rolling residential land sales value edged down 0.3% MoM; YTD, 100-city residential land sales value was up by 4.1%



Source: Wind, AMTD Research
Note: Residential land includes comprehensive commercial and residential land

Figure 28: In May, land premium rate was 17% (April: 18%); Tier-3 cities land premium rate declined to 19% from 27% in April.



Source: Wind, AMTD Research
Note: Residential land includes comprehensive commercial and residential land

Policy and Macro Backdrop

In 1Q20 Monetary Policy Implementation Report published in May, PBoC restated the position that “housing is for living not for speculation”, which would lead the policy direction to steady and healthy development of property market (eg. urbanization and urban redevelopment that were also mentioned in 2020 Government Work Report) and crackdown on speculation.

Figure 29:

Date	Region/Institution	Area	Detail
2-May-20	Langfang, Hebei	hukou	Fully lift restrictions on household registration for talents.
5-May-20	Binzhou, Hunan	deed tax subsidy	50% deed tax subsidy for first new commercial residential housing purchase in 2020.
6-May-20	Nantong, Jiangsu	price cap	Set price cap on land and housing.
9-May-20	CBIRC	loan restriction	Internet loans of commercial banks shall not be used for house purchase or stock investment.
14-May-20	PBoC, CBIRC, CSRC, SAFE	GBA	PBoC published a list of guidelines aimed at connecting financial markets and services in the southern 'Greater Bay Area' linking the mainland with semi-autonomous Hong Kong and Macau.
18-May-20	CBIRC	loan repayment	Appropriately extend the implementation period of the extended principal and interest repayment policy
18-May-20	State Council	hukou	Deepen reform of the household registration system and steadily push forward legislation on real estate tax. Strengthen the development of a new type of urbanization. We will do more to improve public facilities and services in county seats, so as to meet the growing demand to work and settle in them among rural residents. We will begin the renovation of 39,000 old urban residential communities and support the installation of elevators in residential buildings and the development of meal, cleaning, and other community services.
22-May-20	2020 Government Work Report	urban Redevelopment	Steadily advance new urbanization. Leverage the role of leading cities and city clusters in driving the overall development of their surrounding areas, in an effort to foster new industries and increase employment. Acting on the principle that houses are for living in, not for speculation, we will implement city-specific policies to promote steady and healthy development of the real estate market. Improve urban amenities, and make our cities places that people enjoy living and working in.
22-May-20	2020 Government Work Report	urbanization	It is strictly forbidden to hype secondary housing in old residential areas by shantytown reform.
29-May-20	Futian, Shenzhen	crackdown on speculation	SFC proposes changes to the Code on Real Estate Investment Trusts, including allowing REITs to make investments in minority-owned properties and in property development projects in excess of the existing limit of 10% of gross asset value (GAV) subject to unitholders' approval, as well as increasing the borrowing limit for REITs from 45% to 50% of GAV.
9-Jun-20	HK SFC	REITs	China Jinmao plans to privatize Jinmao Hotel by HK\$3.19 billion at 30.4 percent premium over the closing price of last trading day.
12-Jun-20	Jinmao Hotel	Privatization	

Source: Xinhua, People's Daily, Global Times, China Daily, AMTD Research

Figure 30: “One-day” policies are mainly about down payment relaxations

Date	Region/Institution	Area	Detail
21-Feb-20	Zhumadian, Henan	down payment	Minimum down payment for first/second common reserve funds loan will reduce from 30% to 20%.
3-Mar-20	Guangzhou, Guangdong	commercial office projects	Canceling the limitation on buyers for apartments, shops and other commercial office projects.
12-Mar-20	Baoji, Shaanxi	down payment	Encouraging commercial banks to reduce the down payment ratio and the maximum amount of provident fund loans will be raised from 400,000 yuan to 500,000 yuan.
15-Mar-20	Jinan, Shandong	pre-sale funds; housing purchase limitation	Pre-sale regulatory funds are levied and returned immediately. The purchase of two-star or above green building commercial residences within the area directly controlled by the pilot zone shall not be subject to the purchase restriction policy of Jinan city.
24-Mar-20	Haining, Zhejiang	housing purchase restriction	During the real estate expo from March 25 to April 24, temporarily canceling the housing purchase limitation for personnel without Haining hukou.
27-Mar-20	Liuzhou, Guangxi	down payment/resale restriction	Minimum down payment for first/second housing loan will reduce to 20%/30%. The upper limit of individual common reserve funds loan shall be raised from RMB400,000. Lift the resale restriction on commercial residential housing.
10-Apr-20	Qingdao, Shandong	purchase/resale restriction	Holding part of ownership in housing in certain situations is not regarded as owning a housing and restricted resale period declines from 5 years to 2 years.
16-Apr-20	Chifeng, Inner Mongolia	down payment/resale restriction	Minimum down payment for first/second commercial loan will be 20% and the upper limit of the loan shall be RMB800,000. Secondary housing (including carparks) can be traded once obtaining real estate authority card.
20-Apr-20	Huaian, Jiangsu	down payment	Minimum down payment for first/second housing will be reduced to 20%/30%.
22-Apr-20	Jingzhou, Hubei	down payment/mortgage loans/deed tax subsidy	Minimum down payment for first/second common reserve funds loan will reduce to 20%/30%. The upper limit of individual common reserve funds loan shall be raised from 450,000 yuan to 500,000 yuan. Purchasing new commercial housing in Jingzhou city before June 30 would be returned 100% of the deed tax.
15-May-20	Ningyang, Shandong	down payment/resale restriction/loan rate	Minimum down payment for first/second commercial loan will reduce to 20%/30% and for first/second common reserve funds loan will reduce to 30%/40%; Secondary housing (including carparks) can be traded once obtaining real estate authority card; Lower loan interest and

Source: Xinhua, People's Daily, Global Times, China Daily, AMTD Research

Figure 31: Recent News and Announcements of AMTD Coverage (1st April-14th June)

Ticker	Name	Date	Details
832 HK	CCRE	9-Jun-20	Issuance of US\$400 million 7.65% senior notes due 2023.
3883 HK	China Aoyuan	18-May-20	The consideration of acquiring Kinghand Industrial Investment(京漢實業投資) is slightly adjusted to approximately RMB1,159,913,000.
		29-Apr-20	Loan facilities equivalent to approximately HK\$350 million was granted to the company.
		14-Apr-20	Mr. Zhang Jun has been appointed as an executive director, who joined the Group in February 2015 and is now mainly responsible for the overall operational management of the Company's Commercial Property Group.
		7-Apr-20	Acquire 29.99% of the share capital of the Kinghand Industrial Investment(京漢實業投資) at the consideration of RMB1.16bn in cash.
1238 HK	Powerlong	11-Jun-20	Issuance of additional US\$250,000,000 6.95% senior notes due 2023.
		13-May-20	Enter into a facility agreement in relation to a 42-month term dual currency triple tranche loan facility in an amount of up to US\$200 million equivalent.
3662 HK	Aoyuan Healthy Life	5-Jun-20	Entering into the formal share transfer agreement of the Easy Life Smart Community Services (樂生活智慧社區服務) at the consideration of RMB247,904,000 in cash.
		11-May-20	Purchase 65% of the equity interest of Ningbo Hongjian Property Services(寧波宏建物業服務) at a cash consideration of RMB37,000,000. As at the date of this announcement, a total number of 34 projects is managed by the Target with a total contracted gross floor area of approximately 2,413,000 square meters.
		24-Apr-20	Mr. Su Bo has been appointed as the President, responsible for overseeing the general management and operation of the Group.
		22-Apr-20	Acquire 80% of the share capital of the Easy Life Smart Community Services (樂生活智慧社區服務) at the consideration of RMB247,904,000 in cash.
35 HK	FEC	18-May-20	YTD 2020, FEC has bought ~26.5mn shares back with a total cost of HK\$78.1mn.
17 HK	NWD	27-Apr-20	The Board proposes to implement the Share Consolidation on the basis that every four issued Existing Shares be consolidated into one Consolidated Share.
		24-Apr-20	(1) Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny have been appointed as executive directors of the Company; and (2) Dr. Cheng Chi-Kong, Adrian will be re-designated from executive vice-chairman and general manager of the Company to executive vice-chairman and chief executive officer of the Company.
230 HK	Minmentals	8-Jun-20	The Group is currently in an advanced stage of negotiation with China Minmetals Corporation, the ultimate controlling shareholder of the Company (the "Parent Company"), regarding the possible acquisition of an equity interest in a joint venture project company and the possible capital injection in a wholly-owned project company of the Parent Company (the "Transactions"). The project companies are principally engaged in residential and commercial development with interest in property portfolios in Mainland China.
95 HK	LVGEM	8-May-20	On 23 July 2018, the Borrower, an indirect wholly-owned subsidiary of the Holding Company (which is an associated company indirectly held as to 25% by the Company), entered into the Loan Agreement with the Bank, pursuant to which the Bank shall provide a loan facility in the principal amount of RMB20,700,000,000 to the Borrower for a term of five years from 26 July 2018 to 25 July 2023. As at the date of this announcement, RMB2,135,000,000 has been drawn down by the Borrower under the Loan Agreement. To facilitate the further draw down of the Loan Facility, the Bank has requested the Borrower, the Company and Shenzhen LVGEM to provide additional guarantees and security.

Source: HKEX, AMTD Research

Offshore Fund Raising

Five major developers announced equity placement since April with total gross proceeds of HK\$14.85bn. YTD May 2020 offshore financing of major developers reached US\$55bn, exceeding the total amount (US\$34bn) of offshore bonds maturing in 2020.

Figure 32: Equity and Bond Financing of China developers over the last three months

Date	Ticker	Developer	Type	Due Date	Coupon (%)	Currency	Amount (m)
2-Mar-20	6158.HK	Zhenro	Bond	2021	5.600%	USD	200
2-Mar-20	688.HK	China Overseas	Bond	2025	2.375%	USD	300
2-Mar-20	688.HK	China Overseas	Bond	2030	2.750%	USD	500
2-Mar-20	688.HK	China Overseas	Bond	2035	3.125%	USD	300
3-Mar-20	272.HK	Shui On	Bond	2025	5.500%	USD	400
3-Mar-20	600606.SH	Greenland	Bond	2024	6.750%	USD	300
4-Mar-20	1107.HK	Morden Land	Green Senior Notes	2024	11.950%	USD	150
5-Mar-20	600466.SH	Languang	Bond	2021	9.000%	USD	200
5-Mar-20	1098.HK	Road King	Bond	2025	5.900%	USD	300
5-Mar-20	2777.HK	R&F	Bond	2021	8.625%	USD	400
10-Mar-20	2231.HK	JY Grandmark	Bond	2021	7.500%	USD	150
10-Mar-20	95.HK	LV GEM	Bond	2023	12.000%	USD	450
11-Mar-20	2103.HK	Sinic	Bond	2021	11.750%	USD	280
11-Mar-20	1862.HK	Jingrui	Bond	2022	12.750%	USD	180
12-Mar-20	000671.SZ	Yango	Bond	2021	6.800%	USD	188
13-Mar-20	185.HK	Zensun	Bond	2022	12.500%	USD	200
27-Mar-20	3639.HK	Yida China	Bond	2022	10.000%	USD	225
27-Mar-20	600208.SH	Xinhu Zhongbao	Bond	2023	11.000%	USD	200
23-Apr-20	813.HK	Shimao	Equity	NA	NA	HKD	2,311
26-Apr-20	3900.HK	Greentown	Equity	NA	NA	HKD	3,069
6-May-20	1233.HK	Times China	Bond	2021	6.000%	USD	200
8-May-20	185.HK	Zensun	Equity	NA	NA	HKD	408
18-May-20	2007.HK	Country Garden	Convertible Bond	2021	0.000%	HKD	3,875
21-May-20	6158.HK	Zhenro	Bond	2024	8.350%	USD	200
27-May-20	2007.HK	Country Garden	Bond	2025	5.400%	USD	544
27-May-20	1622.HK	Redco	Bond	2023	13.000%	USD	150
1-Jun-20	1777.HK	Fantasia	Bond	2023	11.875%	USD	300
4-Jun-20	600466.SH	Languang	Bond	2022	11.000%	USD	250
4-Jun-20	2202.HK	Vanke	Equity	NA	NA	HKD	7,890
7-Jun-20	884.HK	CIFI	Equity	NA	NA	HKD	1,162
10-Jun-20	1638.HK	Kaisa	Bond	2021	7.875%	USD	300
11-Jun-20	1030.HK	Seazen	Bond	2022	6.450%	USD	400
15-Jun-20	6158.HK	Zhenro	Bond	2023	8.300%	USD	200
15-Jun-20	832.HK	CCRE	Bond	2023	7.650%	USD	400
15-Jun-20	3301.HK	Roshine	Bond	2023	7.350%	USD	250
16-Jun-20	600606.SH	Greenland	Bond	2022	6.250%	USD	500
16-Jun-20	600340.SH	CFLD	Bond	2022	6.920%	USD	300
17-Jun-20	137.HK	Jinhui	Bond	2023	8.800%	USD	250
17-Jun-20	1238.HK	Pow erlong	Bond	2023	6.950%	USD	250
18-Jun-20	2103.HK	Sinic	Bond	2022	10.500%	USD	210

Source: Wind, HKEX, AMTD Research

Figure 33: Offshore Bond Financing of Developers

Source: Wind, HKEX, AMTD Research

Note: Data in June 2020 was as at 15th June, including bonds going to be issued in June 2020; Offshore financing include offshore loan, bond and equity financing but excluding IPO

Equity Fund Raising

Apart from China developers, four property management companies also announced equity placement in June with a total amount of HK\$4.78bn and an average placing price discount of ~9%.

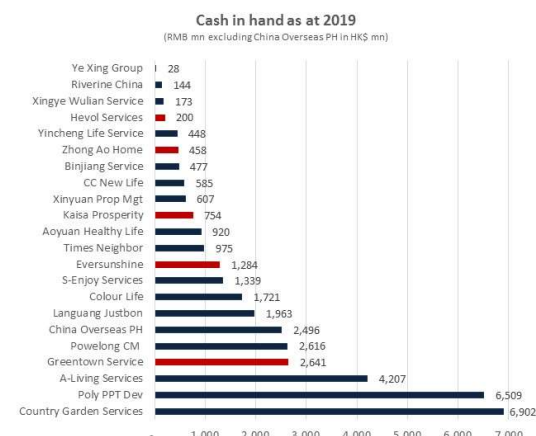
Figure 34: Equity Placements of major HK-listed China developers and property management since 2019

Ticker	Company	Announcement Date	Fund Raised (HK\$ mn)	Price (HK\$)	Discount*	No. of Placing Shares(mn)	As a % of enlarged shares
China Developers							
884 HK	CIFI	7-Jun-20	1,162	6.28	1.26%	185	2.3%
2202 HK	Vanke	4-Jun-20	7,890	25.00	4.76%	316	2.7%
185 HK	Zensun	8-May-20	408	0.33	1.49%	1,235	10.7%
3900 HK	Greentown	26-Apr-20	3,069	9.50	Premium 36%	323	13.0%
813 HK	Shimao	23-Apr-20	2,325	29.73	2.20%	78	2.2%
813 HK	Shimao	17-Jan-20	4,674	29.58	7.85%	158	4.6%
1030 HK	Seazen	14-Jan-20	2,731	8.78	2.98%	311	5.0%
1918 HK	Sunac	10-Jan-20	8,000	42.80	8.25%	187	4.0%
2777 HK	R&F	19-Dec-19	3,735	13.68	7.19%	273	7.8%
3990 HK	Midea RE	11-Dec-19	764	19.10	6.83%	40	2.5%
1109 HK	CR Land	22-Oct-19	6,730	33.65	6.90%	200	2.8%
1238 HK	Powerlong	15-Oct-19	792	5.40	8.63%	147	3.5%
817 HK	China Jinmao	26-Jul-19	815	4.81	0.61%	169	1.4%
6158 HK	Zhenro	21-Jul-19	1,212	4.95	1.98%	245	5.6%
1233 HK	Times China	18-Apr-19	1,570	14.54	9.00%	108	5.6%
1908 HK	C&D Intl	18-Apr-19	495	9.00	11.59%	55	7.0%
3301 HK	Ronshine	4-Apr-19	1,183	10.95	7.05%	108	6.3%
2202 HK	Vanke	28-Mar-19	7,806	29.68	5.02%	263	2.3%
123 HK	Yuexiu	27-Feb-19	6,162	2.00	Premium 22%	3,081	19.9%
Property Management							
6093 HK	Hevol Service	15-Jun-20	102	1.28	3.76%	80	16.7%
1538 HK	Zhong Ao Home	14-Jun-20	36	0.98	16.24%	37	4.3%
2168 HK	Kaisa Prosper	9-Jun-20	456	32.55	9.96%	14	9.1%
1995 HK	Eversunshine	4-Jun-20	1,579	11.78	6.95%	134	8.0%
2869 HK	Greentown Service	3-Jun-20	2,714	10.18	7.12%	267	8.3%
6098 HK	CG Services	11-Jan-19	1,959	11.61	10.00%	169	6.3%

Source: HKEX, AMTD Research

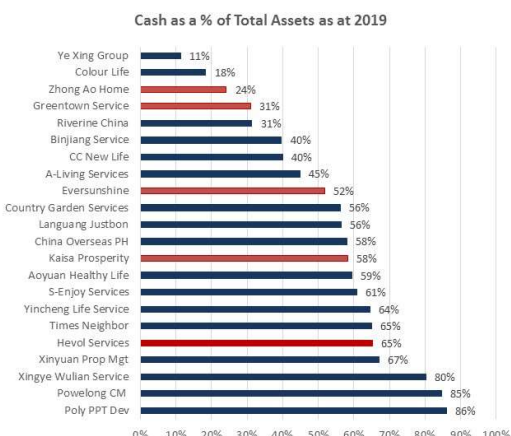
Note: *Discount based on the closing price of the last trading day as of the announcement date

Figure 35: Cash in hand as at 2019



Source: Bloomberg, Company data, AMTD Research
Red denotes the companies announced equity placements in 2020

Figure 36: Cash as a % of Total Assets as at 2019



Source: Bloomberg, Company data, AMTD Research
Red denotes the companies announced equity placements in 2020

Acquisitions in Property Management Sector

According to the announcements, those proceeds would be used for business operation and expansion. For property management companies, acquisition can help them expand revenue-bearing GFA and relatively low acquisition cost can also offer room to boost share price with an average acquisition trailing P/E of 13x (industry average FY20E P/E: ~30x).

Figure 37: Acquisition in sector since 2019

Ticker	Company	Target	Type	Date	Acquisition Detail (RMB mn)					
					Consideration	Interest	Valuation	GFA (mn sq.m.)	P/E	base on earning in
3662 HK	Aoyuan Healthy	Ningbo Hongjian	Resi&Non-resi	May-20	37	65%	57	2*	NA	NA
		Easy Life	Resi&Non-resi	Apr-20	248	71%	350	23	15.6x	2018
1922 HK	Yincheng Life	Nanjing Huiren Hengan	Hospital	Mar-20	46	51%	90	NA	21.2x	2018
2168 HK	Kaia Property	Jiangsu Hengyuan	Resi&Non-resi	Oct-19	34	51%	67	8	11.5x	2018
		Jiaxing Dashu	Resi&Non-resi	Apr-19	37	60%	61	8	11.2x	2018
9928 HK	Times Neighbor	Guangzhou Yaocheng	Power supply system units	May-20	15	100%	15	2	NA	NA
		Guangzhou Haoqing	Resi&Non-resi	Mar-20	33	NA	NA	NA	NA	NA
1995 HK	Ever Sunshine	Qingdao Yinshengtai	Resi&Non-resi	Feb-20	9	50%	17	NA	4.7x	2019
		Qingdao Yayuan	public car park ops, prop mgmt and rental services	Jun-19	462	55%	840	2	24.8x	2018
1755 HK	S-Enjoy Service	Chengdu Chengyue Times	Resi&Non-resi	May-20	105	62%	170	5	10.4x	2019
2606 HK	Languang Justbon	Zhejiang Zhongneng	Resi&Non-resi	Dec-19	48	60%	80	5#	13.0x	2018
3319 HK	A-Living	CMIG Futurelife	Resi&Non-resi	Sep-19	1560	60%	2600	154	12.5x	2019
		Guangzhou Yuehua	Public building	Mar-19	195	51%	383	30	10.0x	2018
		Harbin Jingyang	Resi&Non-resi	Jan-19	114	60%	190	10	10.5x	2018
		Qiangdao Huaren	Resi&Non-resi	Jan-19	134	90%	149	6	12.3x	2018
6098 HK	CG Service	Asia Asset RE	Resi&Non-resi	Jul-19	375	100%	375	13	11.4x	2018
		Beijing Shengshi	Resi&Non-resi	Mar-19	773	100%	773	NA	9.7x	2018

Source: Company data, AMTD Research

Notes: (1) *denotes contracted GFA; (2) #denotes expected GFA under management in 2020

Relative Value of Offshore Bonds

Offshore bonds market has normalized since April amid the US dollar easing monetary environment. Average yield to maturity of 10-year US Treasuries and 12-Month US Treasury was 0.66% and 0.15% in May, compared with 0.65% and 0.16% in April. For offshore HY bonds in China Property sector, the z-spread difference between B and BB rating has narrowed to ~330bps in June from the peak of ~540bps in May, implying the risk tolerance has been restoring.

Figure 38: Relative Value of Bonds issued by AMTD coverage companies as at 12th June 2020

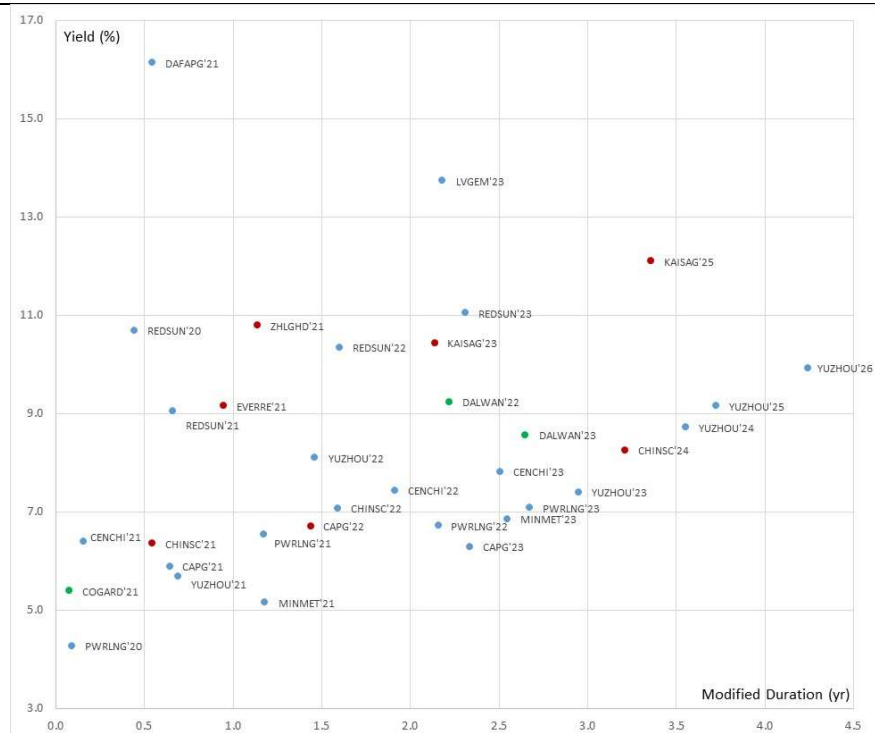


Figure 39: Average Z-Spread of HY Offshore Bonds in China Property (bps)

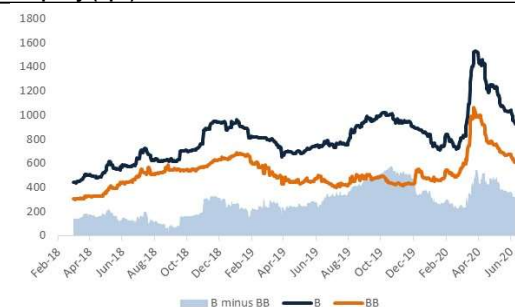


Figure 40: UST 12M/10yr Yield and Federal Funds Target Rate



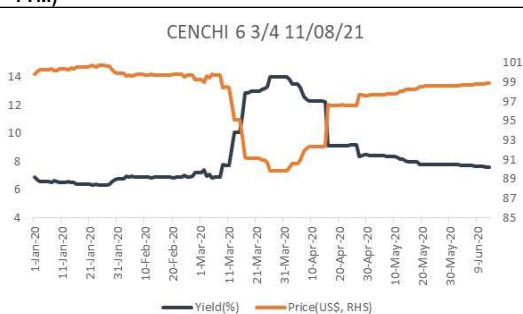
Bond Performance of AMTD Coverage

Figure 41: Aoyuan Property Bond time series (Price vs YTM)



Source: Bloomberg, AMTD Research

Figure 42: CCRE Property Bond Time Series (Price vs YTM)



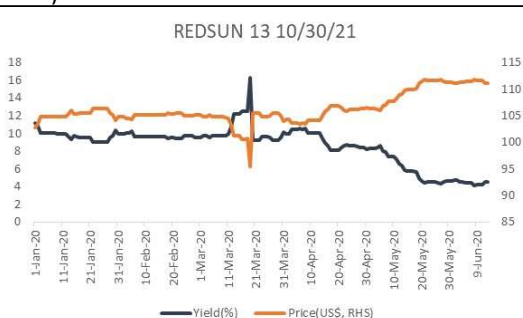
Source: Bloomberg, AMTD Research

Figure 43: Powerlong Property Bond Time Series (Price vs YTM)



Source: Bloomberg, AMTD Research

Figure 44: Redsun Property Bond Time Series (Price vs YTM)



Source: Bloomberg, AMTD Research

Figure 45: Dafa Property Bond time series (Price vs YTM)



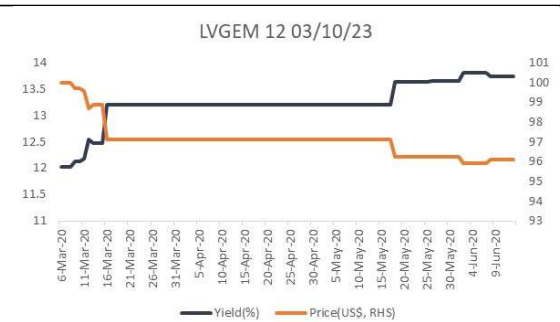
Source: Bloomberg, AMTD Research

Figure 46: Yuzhou Property Bond Time Series (Price vs YTM)



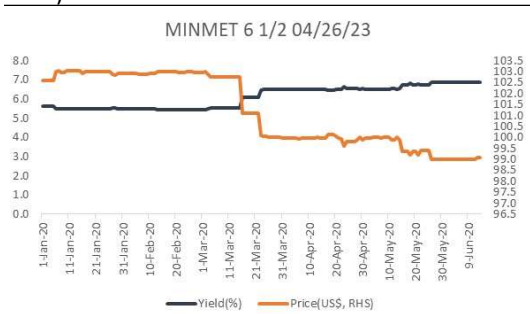
Source: Bloomberg, AMTD Research

Figure 47: Lvgem Property Bond time series (Price vs YTM)



Source: Bloomberg, AMTD Research

Figure 48: Minmetals Property Bond Time Series (Price vs YTM)



Source: Bloomberg, AMTD Research

Valuation

China Property Developers

China Property Developers are trading at 5.0x 2020E P/E and 0.9x 2020E P/B on simple average. For market cap weighted average forward 12 months P/E and P/B, the sector is now trading at 6.0x P/E, ~0.54 SD below 3-year historical mean, and 1.3x P/B, ~0.99 SD below 3-year historical mean.

Our top picks CCRE (832 HK), Aoyuan (3883 HK), Powerlong (1238 HK) are at distressed valuation of 3.6x/3.2x/4.4x 20E P/E respectively and CCRE also offered 13.1% FY19 dividend yield, far exceeding the industry average of 7.0%.

Figure 49: China Property Developers: Peers Valuation comparison

Date	12/6/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
Ticker	Name (EN)	(HK\$)	(USD mn)	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19
China Property Developers										
2202 HK	Vanke	25.00	40,416	6.6x	5.8x	5.1x	1.4x	1.1x	1.0x	4.7%
688 HK	COLI	24.15	34,140	5.7x	5.7x	5.1x	0.8x	0.8x	0.7x	4.4%
3333 HK	Evergrande	19.42	33,184	13.4x	6.7x	5.8x	1.6x	1.4x	1.2x	3.8%
1109 HK	CR Land	31.95	29,397	7.0x	8.1x	7.0x	1.2x	1.1x	1.0x	3.8%
960 HK	Longfor	36.65	28,348	12.4x	10.4x	8.7x	2.1x	1.8x	1.6x	3.7%
2007 HK	Country Garden	9.89	27,913	4.8x	4.3x	3.8x	1.3x	1.1x	0.9x	6.6%
1918 HK	Sunac	34.50	20,717	6.5x	4.5x	3.8x	1.7x	1.3x	1.0x	4.1%
813 HK	Shimao	33.10	15,109	9.0x	8.0x	6.5x	1.5x	1.3x	1.1x	5.0%
3380 HK	Logan	13.02	9,273	6.4x	5.1x	4.3x	2.0x	1.5x	1.2x	7.2%
884 HK	CIFI	6.60	6,746	8.3x	5.7x	4.7x	1.6x	1.3x	1.0x	5.3%
1813 HK	KWG	12.20	5,001	3.8x	5.4x	4.1x	1.0x	0.9x	0.8x	6.9%
3383 HK	Agile	9.04	4,569	4.7x	4.1x	3.7x	0.7x	0.6x	0.5x	11.5%
2777 HK	R&F	8.95	4,037	2.7x	2.6x	2.1x	0.4x	0.3x	0.3x	16.2%
1233 HK	Times	13.40	3,357	4.2x	3.7x	3.1x	1.2x	1.0x	0.8x	7.2%
3883 HK	Aoyuan*	8.48	2,957	5.0x	3.2x	2.9x	1.4x	1.1x	0.9x	7.2%
123 HK	Yuexiu	1.41	2,817	5.2x	4.7x	4.1x	0.5x	0.4x	0.4x	7.3%
6158 HK	Zhenro	4.93	2,778	7.6x	6.2x	4.9x	1.1x	1.0x	0.9x	2.3%
3900 HK	Greentown	8.55	2,751	7.2x	7.2x	6.4x	0.6x	0.6x	0.5x	4.0%
1238 HK	Powerlong*	4.75	2,539	6.4x	4.4x	3.5x	0.5x	0.5x	0.5x	8.6%
1638 HK	Kaisa	3.15	2,481	6.7x	3.5x	2.8x	0.7x	0.5x	0.4x	3.6%
2772 HK	Zhongliang	5.31	2,454	4.1x	3.5x	2.9x	2.0x	1.3x	1.0x	18.6%
1628 HK	Yuzhou*	3.63	2,449	4.7x	4.6x	3.2x	0.8x	0.7x	0.6x	11.3%
1966 HK	China SCE	3.44	1,856	4.2x	3.7x	3.0x	0.7x	0.6x	0.5x	7.0%
95 HK	Lvgem*	2.35	1,536	8.5x	6.4x	6.1x	0.8x	0.7x	0.7x	2.6%
3301 HK	Ronshine	6.90	1,518	3.3x	2.6x	2.2x	0.6x	0.6x	0.5x	5.3%
272 HK	Shui On Land	1.26	1,311	5.7x	NA	NA	0.2x	0.2x	0.2x	9.9%
832 HK	CCRE*	3.61	1,293	4.5x	3.6x	2.5x	0.9x	0.8x	0.7x	13.1%
119 HK	Poly Prop	2.55	1,205	2.7x	3.2x	2.6x	0.3x	0.3x	0.2x	8.2%
1996 HK	Redsun*	2.71	1,161	6.5x	4.6x	3.9x	0.6x	0.5x	0.5x	4.6%
1098 HK	Roadking	10.64	1,029	2.7x	NA	NA	0.4x	NA	NA	11.1%
2019 HK	Dexin China	2.94	1,025	4.4x	4.1x	3.3x	1.4x	NA	NA	3.1%
230 HK	Minmetals*	1.06	458	4.3x	4.4x	4.2x	0.4x	0.4x	0.3x	7.5%
6111 HK	Dafa*	4.08	436	6.3x	6.0x	5.7x	0.9x	0.8x	0.7x	3.9%
Total/Average			296,261	5.9x	5.0x	4.3x	1.0x	0.9x	0.7x	7.0%
HK Property Developers										
16 HK	SHK Properties	100.30	37,502	9.0x	8.7x	8.2x	0.5x	0.5x	0.5x	4.9%
1113 HK	CK Asset	47.00	22,398	6.0x	8.5x	7.5x	0.5x	0.5x	0.5x	4.5%
12 HK	Henderson Land	29.55	18,460	9.8x	9.1x	9.9x	0.4x	0.5x	0.4x	6.1%
17 HK	NWD*	9.24	12,154	10.7x	11.6x	11.2x	0.4x	0.4x	0.4x	5.5%
83 HK	Sino Land	9.67	8,790	9.4x	6.9x	7.8x	0.5x	0.4x	0.4x	5.7%
683 HK	Kerry Properties	20.55	3,862	5.5x	6.9x	6.3x	0.3x	0.3x	0.3x	6.6%
35 HK	Far East*	2.38	722	3.7x	5.7x	4.3x	0.4x	0.4x	0.4x	9.2%
Total/Average			103,889	7.7x	8.2x	7.9x	0.4x	0.4x	0.4x	6.1%

Source: Bloomberg Estimates, *AMTD Research Estimates for AMTD Coverage Stocks

Note: As of 12th June 2020

Figure 50: China developers sector is now trading at 6.0x P/E, ~0.54 SD below 3-year historical mean



Source: Bloomberg, AMTD Research

Figure 51: China developers is now trading at 1.3x P/B, ~0.99 SD below 3-year historical mean



Source: Bloomberg, AMTD Research

China Property Management

China Property Management sector is now trading at 29.5x 20E P/E on simple average and at 32.6x forward 12 months P/E, ~2.08 SD above 3-year historical mean.

Figure 52: China Property Management Companies: Peers Valuation comparison

Figure 12: China Property Management Companies: P/E ratio Validation component										
Date	12/6/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
Ticker	Name(EN)	(HK\$)	(USD mn)	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19
China Property Management										
6098 HK	Country Garden Services	35.70	12,684	51.2x	39.3x	28.9x	16.2x	12.1x	9.2x	0.5%
3319 HK	A-Living Services	41.25	7,097	40.4x	28.7x	22.1x	8.0x	6.7x	5.8x	1.2%
6049 HK	Poly PPT Dev	83.45	5,958	61.7x	55.8x	40.5x	7.9x	6.9x	6.0x	0.4%
2869 HK	Greentown Service	9.84	4,084	52.3x	39.5x	30.6x	9.0x	7.5x	6.4x	0.9%
2669 HK	China Overseas PH	8.03	3,406	50.1x	37.8x	29.5x	17.5x	12.8x	9.7x	0.6%
1995 HK	Eversunshine	11.50	2,280	71.0x	44.0x	28.8x	13.8x	10.2x	8.1x	0.5%
1755 HK	S-Enjoy Services	19.96	2,107	52.8x	35.1x	24.4x	15.9x	12.0x	9.2x	1.0%
9983 HK	CC New Life	9.58	1,539	33.0x	23.0x	17.1x	7.0x	5.9x	5.2x	1.1%
9909 HK	Powelong CM	17.30	1,387	35.4x	33.5x	23.1x	5.9x	4.8x	4.2x	0.0%
2606 HK	Languang Justbon	58.00	1,333	16.8x	15.6x	11.8x	4.2x	3.6x	3.0x	2.4%
9928 HK	Times Neighbor	9.90	1,161	54.4x	35.9x	21.0x	9.0x	7.7x	6.1x	0.4%
3662 HK	Aoyuan Healthy Life*	8.50	797	29.3x	20.4x	15.2x	6.2x	5.3x	4.6x	1.3%
1778 HK	Colour Life	4.04	742	10.0x	8.8x	7.9x	1.3x	1.2x	1.1x	2.6%
2168 HK	Kaisa Prosperity	32.05	579	24.4x	17.6x	12.7x	6.1x	4.9x	4.0x	1.6%
3316 HK	Binjiang Services	13.20	471	24.4x	20.5x	15.6x	4.5x	NA	NA	2.0%
1922 HK	Yincheng Life Service	4.50	155	25.7x	15.6x	11.3x	8.9x	3.9x	3.0x	4.1%
Total/Average			45,778	39.6x	29.5x	21.3x	8.8x	7.0x	5.7x	1.3%

Source: Bloomberg Estimates, *AMTD Research Estimates for AMTD Coverage Stocks
Note: As of 12th June 2020

Figure 53: China property management sector is now trading at 32.6x P/E, ~2.08 SD above 3-year historical mean



Source: Bloomberg, AMTD Research

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