

At the Forefront of China Property

Fully Recovered From COVID-19, Back to the New Normal

We believe the property industry has fully recovered from the COVID-19 impact by all measures. Property austerity measures such as price restrictions, financing restrictions will limit growth and profitability, but the industry is generating healthy cash flows which we believe is positive for credit. Aoyuan, Powerlong and CCRE are our top picks of the sector.

Returning back to the Property Austerity New Normal

We believe the termination of reorganization between Evergrande (3333 HK, NR) and Shenzhen Real Estate (000029 SZ, NR) during the past month reinforces the policy stance to contain developers' debt and equity financing to prevent an overheated property market. Moreover, we have also noted that some cities have also tightened regulations on pre-approved new home prices and pre-sale requirements to curb price growth momentum. This has resulted in 70-city new residential property price MoM growth to narrow to 0.2% in Nov from 0.3% in Oct and 0.6% in Sep.

Industry has fully recovered from COVID-19 impact

YTD industry cash flow YoY growth has returned to positive (+2.0%) for the first time this year amid the pick-up in national contracted sales. Average run rates of Top-30 HK-listed developers have reached 79.6%, suggesting most developers are on track to realize annual contracted sales targets. The refinancing restrictions will weigh on developer's growth but is positive for property HY bonds amid the healthy free cash flows, in our view.

2020 YTD commodity property sales volume to be flat

Monthly real estate investment YoY growth widened and stood at +12.7% in Oct, highest since Aug 2018. YTD Oct commodity property sales volume (Flat YoY) has caught up with 2019 for the first time this year, while YTD sales value grew +5.8% YoY. We believe this implies that the recovery is driven by ASP increase underpinned by relatively loose monetary environment (M2: +10.5%).

Property Management valuations correct to 3-year historical average

We believe value is emerging in the Property Management sector after its recent correction back to 25.2x Fwd P/E, close to the 3-year historical average. We reiterate our BUY ratings on Aoyuan Healthy Life (20E P/E: 13.1x) and CCNL (20E P/E: 19.1x), as we believe the fundamentals and growth potential remains intact. In Oct, there were 4 new property management companies listed on HKEX, among which KWG Living (3913 HK, NR) and First Service (2107 HK, NR) recorded 32% and 44% YTD pullback from their listing price.

Property Developer Top picks: Aoyuan, Powerlong and CCRE

Our top picks CCRE, Aoyuan, and Powerlong are at valuation of 4.3x/3.0x/5.3x 20E P/E respectively. CCRE recently announced the spin-off of its asset-light business (CCMC) and we expect it will unlock 64% of CCRE's valuations after CCMC separate listing (AMTD Report: [Asset-light Business Spin-off to Unlock 64% Valuation](#)). China Property Developers are trading at attractive valuation with 2020E P/E of 5.4x on simple average and market cap weighted average Fwd12M P/E of 6.0x, ~0.56 SD below 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
9983.HK	Central China New Life	Buy
0035.HK	Far East	Buy
0017.HK	New World Dev	Buy
1996.HK	Redsun	Buy
1628.HK	Yuzhou	Buy
0095.HK	LVGEM	Buy
6111.HK	Dafa	Hold
0230.HK	Minmetals	Hold

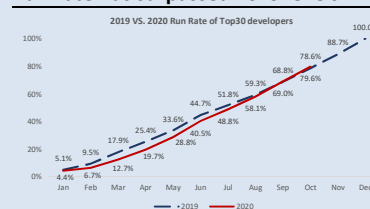
Source: Company data, AMTD Research

YTD industry FCF YoY growth recorded positive



Source: NBS, Wind, AMTD Research

Run-rate has surpassed 2019 levels



Source: Bloomberg, Company Data, AMTD Research

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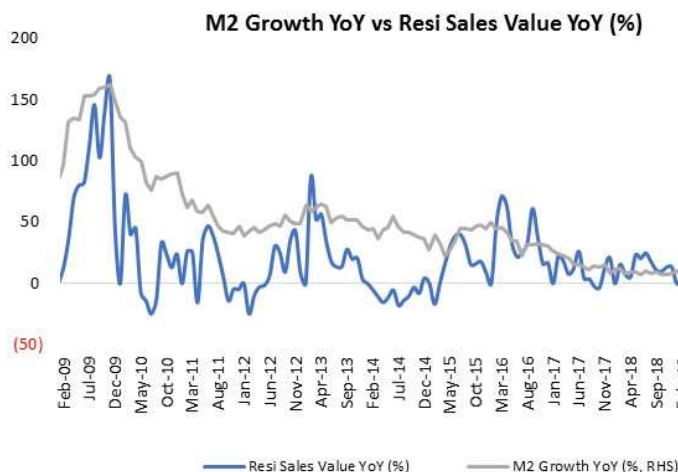
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National Sales Volume and Value

Residential property sales value remains growth momentum (YoY: 26%) in Oct to ~RMB1.6tn underpinned by the easing monetary environment (M2 10.5% YoY). 10M20 YTD total residential sales value recorded ~RMB11.8tn with a YoY growth of 8.2%.

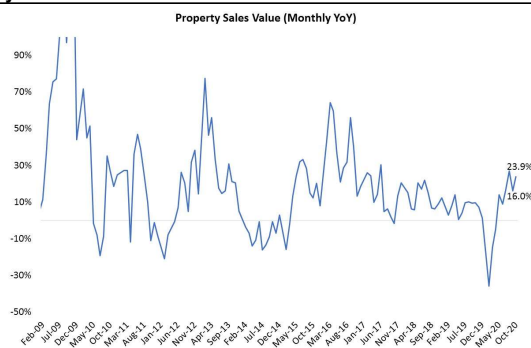
Figure 1: In Oct, M2 YoY growth slightly declined to 10.5% (Sep: 10.9%) and residential property sales value increase by 26.0% YoY



Source: PBoC, NBS, Wind, AMTD Research

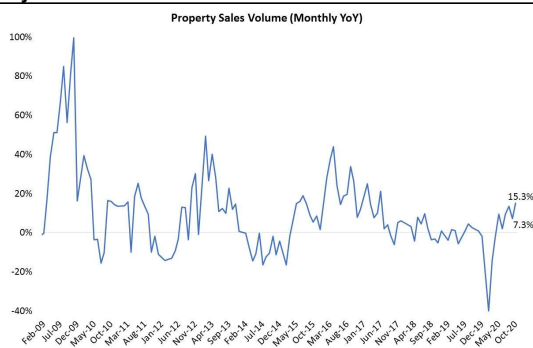
Commodity property sales value in Oct increased by 23.9% YoY and 10M20 value YoY growth expanded to 5.8% in positive territory since Aug. Commodity Property sales volume in Oct increased by 15.3% YoY and 10M20 volume YoY growth returned to positive for the first time this year.

Figure 2: Commodity property sales value in Oct increased by 23.9% YoY

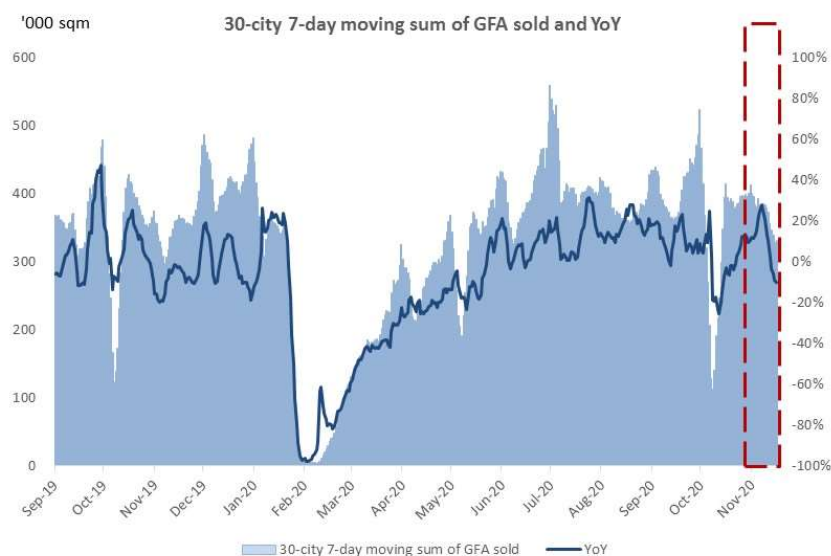


Source: NBS, Wind, AMTD Research

Figure 3: Commodity Property sales volume in Oct increased by 15.3% YoY



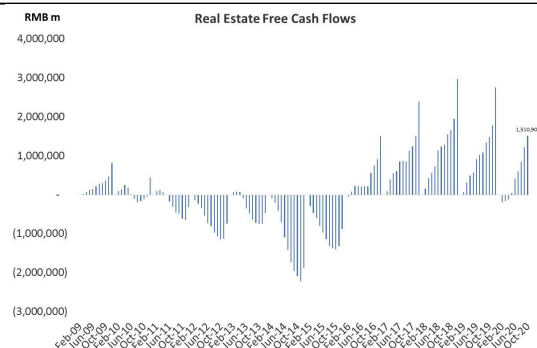
Source: NBS, Wind, AMTD Research

Figure 4: Daily Data – 30-city GFA sold growth momentum declined

Source: MOHURD, Wind, AMTD Research

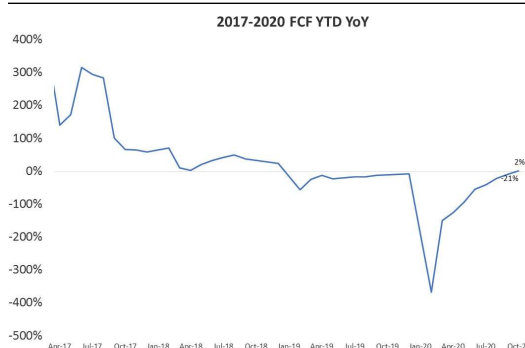
Industry Free Cash Flow

Cash flow has been improving following the pickup in contracted sales as industry FCF has expanded to RMB1.5tn as of Oct from ~RMB1.2tn as of Sep. Meanwhile, YTD industry FCF YoY growth recorded positive (+2%) for the first time this year, suggesting a full recovery in the property sector.

Figure 5: Industry FCF has reached ~RMB1.5tn as of Oct

Source: NBS, Wind, AMTD Research

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

Figure 6: Oct YTD FCF YoY stood at 2%

Source: NBS, Wind, AMTD Research

Property Prices

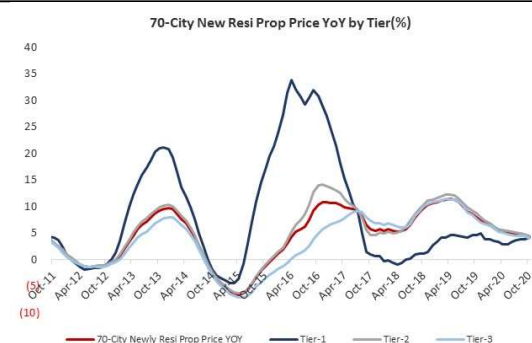
New Residential Property Prices

In Oct, 70-city new residential property prices YoY growth was 4.2% among which Tier-2 cities had the strongest growth of 4.4%. YoY growth was declining in positive territory from Jan to Oct. New residential property price increased in 60 cities on a YoY basis. Yinchuan city has the highest YoY growth of 16.6% in Oct while Anqing city has the lowest YoY growth of -3.2%.

In Oct, 70-city new residential property price MoM growth was 0.2%, contracting from 0.3% in Sep. On an MoM basis, new residential property price increased in 45 cities, down from 55 in Sep. Kunming city has the highest MoM growth of 0.8% in Oct while Yueyang city and Beihai city have the lowest MoM growth of -0.7%.

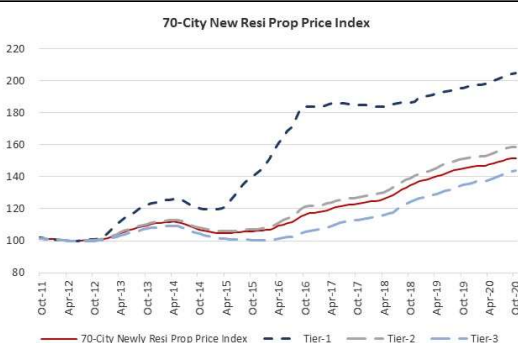
70-city new residential property price has increased by 3.6% compared with end-Dec 2019, among which Tier-3 cities had the strongest growth of 5.4%. For secondary property, 70-city price has risen by 1.7% since end-Dec, among which Tier-1 cities had the highest growth of 7.8%.

Figure 7: In Oct, 70-city new residential property price YoY growth was 4.2% and Tier-2 cities had the strongest growth of 4.4%



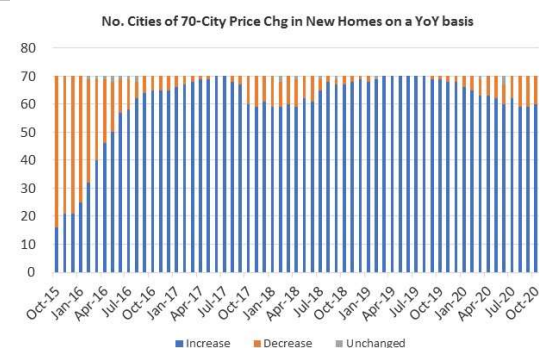
Source: NBS, Wind, AMTD Research

Figure 8: In Oct, 70-city new residential property price MoM growth was 0.2%, down from 0.3% in Sep



Source: NBS, Wind, AMTD Research

Figure 9: In Oct, newly-built residential property price increased in 60 out of 70 cities on a YoY basis



Source: NBS, Wind, AMTD Research

Figure 10: In Oct, newly-built residential property price increased in 45 out of 70 cities on an MoM basis



Source: NBS, Wind, AMTD Research

Secondary Residential Property Prices

For secondary residential property, 70-city prices YoY growth was 2.1% in Oct, slightly declined from 2.2% in Sep, and Tier-1 cities had the strongest growth of 8.0%. Shenzhen city has the highest YoY growth of 15.5% in Oct, slightly down from 15.7% in Sep, while Mudanjiang city has the lowest YoY growth of -9.4%, further declining from -9.1% in Sep.

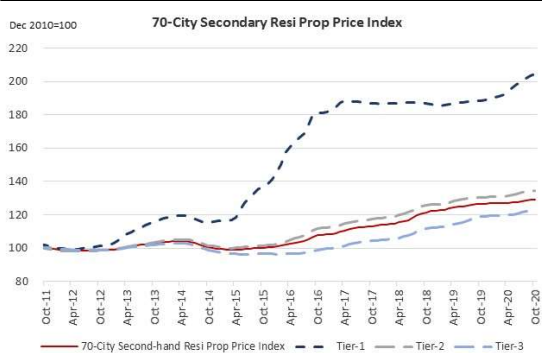
On an MoM basis, 70-city secondary residential property price MoM growth in Oct was 0.1%, narrowing from 0.3% in Sep, and Tier-1 cities had the strongest growth of 0.5%. Shenzhen city has the highest MoM growth of 0.9% in Oct while Taiyuan, Changchun, Mudanjiang, Yueyang, Beihai and Nanchong city have the lowest YoY growth of -0.5%.

Figure 11: In Oct, 70-city secondary residential property price YoY growth was 2.1% and Tier-1 cities had the strongest growth of 8.0%



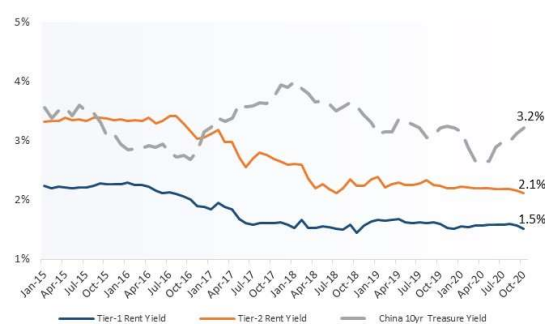
Source: NBS, Wind, AMTD Research

Figure 12: In Oct, 70-city secondary residential property price MoM growth was 0.2%, down from 0.3% in Sep



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 Oct, the average run rate based on 2020 contracted sales target stood at 79.6%, surpassing the level of the same period last year (10M19: ~78.6%).

In Oct, contracted sales of Top30 HK-listed developers rose by 7.2% YoY (Sep: 26.5%) and 26 names recorded positive YoY growth. 10M20 contracted sales YoY growth of Top30 HK-listed developers narrowed to 9.4% from 9.8% in 9M20. 10M20 contracted GFA grew by 13.2% (9M20: 12.4%), implying ASP was down by 3.4% to RMB13,255/sq.m.

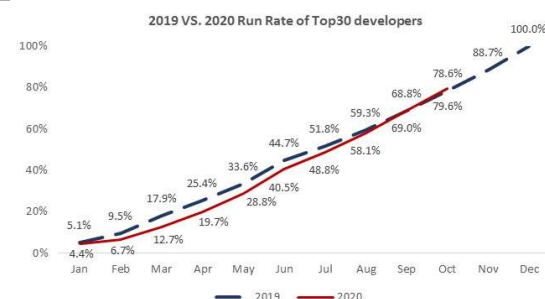
Figure 14: Contracted sales of top 30 HK-listed China property developers rose by 7.2% in Oct and 10M20 contracted sales YoY growth narrowed to 9.4% from 9.8% in 9M20 (RMB mn).

Ticker	Name	10/2020	YoY	1-10M 2020	YoY	2020 Target	YoY	Run Rate
3333 HK	Evergrande	40,340	-55%	632,590	16%	650,000	8%	97.3%
2202 HK	Vanke	52,310	21%	545,070	5%	630,840	0%	86.4%
2007 HK	COGARD*	53,910	-5%	500,700	4%	607,422	10%	82.4%
1918 HK	Sunac	70,410	9%	451,100	4%	600,000	8%	75.2%
688 HK	China Overseas	28,922	13%	286,108	-1%	400,000	6%	71.5%
1030 HK	Future Land	27,800	13%	190,847	-14%	250,000	-8%	76.3%
813 HK	Shimao	30,072	29%	231,290	17%	300,000	15%	77.1%
1109 HK	CR Land	26,040	3%	217,055	8%	262,000	8%	82.8%
960 HK	Longfor	28,010	4%	214,350	6%	260,000	7%	82.4%
884 HK	CIFI	20,020	5%	174,370	12%	230,690	15%	75.6%
817 HK	Jinmao	18,500	52%	180,320	33%	200,000	24%	90.2%
3301 HK	Ronshine	14,711	-2%	114,832	5%	158,275	12%	72.6%
2777 HK	R&F*	16,050	14%	102,680	-4%	152,000	10%	67.6%
3377 HK	Sino-Ocean	16,110	31%	92,140	-9%	130,000	0%	70.9%
3900 HK	Greentown	28,000	44%	140,100	42%	155,710	15%	90.0%
3383 HK	Agile	15,010	18%	104,780	4%	117,970	0%	88.8%
3883 HK	Aoyuan	15,160	51%	98,510	11%	132,227	12%	74.5%
3380 HK	Logan*	13,500	90%	97,020	23%	115,406	20%	84.1%
1813 HK	KWG	12,536	24%	78,450	15%	103,300	20%	75.9%
1638 HK	Kaisa*	11,790	48%	77,686	23%	100,000	13%	77.7%
1966 HK	SCE	11,126	82%	80,156	32%	93,000	16%	86.2%
2868 HK	BCL	6,110	-33%	54,620	-9%	80,000	-1%	68.3%
1233 HK	Times	10,990	26%	70,701	19%	82,300	5%	85.9%
1628 HK	Yuzhou	11,524	25%	88,584	53%	100,000	33%	88.6%
123 HK	Yuexiu	14,706	232%	73,342	40%	80,200	11%	91.4%
1996 HK	Redsun	7,702	34%	64,505	30%	75,000	15%	86.0%
832 HK	CCRE**	6,862	2%	51,994	0%	80,000	11%	65.0%
1238 HK	Powerlong	8,098	50%	62,421	24%	75,000	24%	83.2%
337 HK	Greenland	4,636	5%	27,052	-30%	55,000	14%	49.2%
1777 HK	Fantasia	5,522	35%	38,216	45%	45,000	24%	84.9%
Total		626,477	7.2%	5,141,589	9.4%	6,363,340	8.7%	79.6%

Source: Bloomberg, Company Data, AMTD Research

Note: Oct and 10M20 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 simple average was 79.6% in Oct

Source: Bloomberg, Company Data, AMTD Research

Figure 16: Top 30 HK-listed developers' market share stood at 39% in 10M20 by contracted sales

Source: NBS, Bloomberg, Company Data, AMTD Research

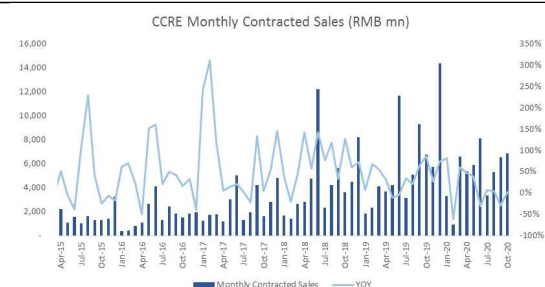
Monthly Contracted Sales of AMTD Coverage

Contracted sales in Oct

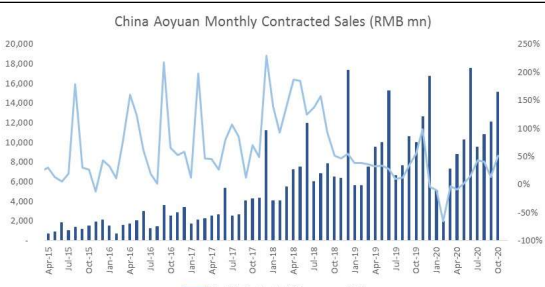
- CCRE achieved heavy-asset property contracted sales of RMB6,862 mn (YoY 2%);
- Aoyuan achieved property contracted sales of RMB15,160 mn (YoY 51%);
- Powerlong achieved property contracted sales of RMB8,098 mn (YoY 50%);
- Yuzhou achieved property contracted sales of RMB11,524 mn (YoY 25%);
- Redsun achieved property contracted sales of RMB7,702 mn (YoY 34%);
- Lvgem, Minmetals and Dafa do not disclose monthly contracted sales.

10M20 contracted sales

- CCRE achieved heavy-asset property contracted sales of RMB51,994 mn (YoY 0%) and the run rate was 65.0% (2019: 72.1%);
- Aoyuan achieved property contracted sales of RMB98,510 mn (YoY 11%) and the run rate was 74.5% (2019: 75.1%);
- Powerlong achieved property contracted sales of RMB62,421 mn (YoY 24%) and the run rate was 83.2% (2019: 83.7%);
- Yuzhou achieved property contracted sales of RMB88,584 mn (YoY 53%) and the run rate was 88.6% (2019: 77.3%);
- Redsun achieved property contracted sales of RMB64,505 mn (YoY 30%) and the run rate was 86.0% (2019: 76.0%).

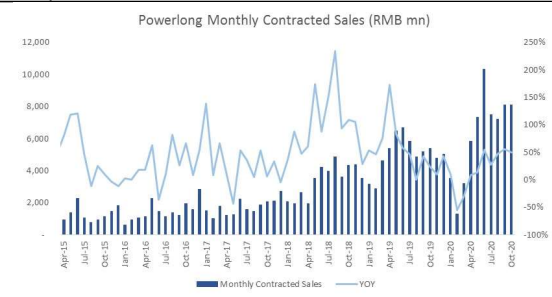
Figure 17: CCRE Monthly Contracted Sales (Value vs YoY)

Source: Company Data, AMTD Research

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

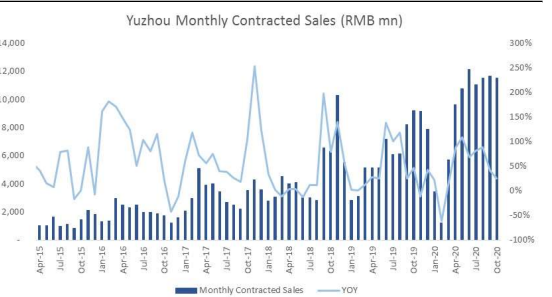
Source: Company Data, AMTD Research

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



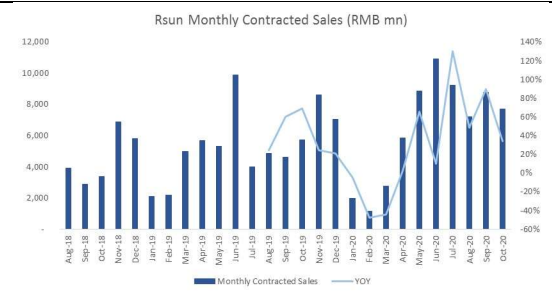
Source: Company Data, AMTD Research

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 Major China Property Developers

Figure 22: As of Oct, our top picks all recorded positive YTD YoY growth

Company	Ticker	1-10M 2020	2020 Target	2019	2018	2017	2016	2015
Evergrande	3333 HK Equity	16.4%	8.1%	9.0%	10.1%	34.2%	85.4%	53.1%
Vanke	2202 HK Equity	5.0%	0.0%	3.9%	14.5%	45.3%	39.5%	21.5%
COGARD	2007 HK Equity	4.4%	10.0%	10.0%	-8.9%	78.3%	120.3%	8.8%
Sunac	1918 HK Equity	4.0%	7.9%	20.7%	27.3%	133.1%	127.7%	3.6%
Poly RE	600048 CH Equity	9.2%	N/A	14.1%	30.9%	47.2%	36.3%	12.8%
China Overseas	688 HK Equity	-0.7%	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	-14.2%	-7.7%	22.5%	74.8%	94.4%	103.8%	30.3%
Shimao	813 HK Equity	17.3%	15.4%	47.6%	74.8%	47.9%	1.6%	-4.5%
CR Land	1109 HK Equity	8.2%	8.0%	15.1%	64.3%	33.1%	36.0%	28.2%
Longfor	960 HK Equity	6.3%	7.2%	20.9%	28.5%	77.1%	61.6%	11.2%
CIFI	884 HK Equity	11.9%	15.0%	32.0%	46.2%	96.2%	75.4%	42.4%
Gemdale	600383 CH Equity	20.6%	N/A	29.7%	15.3%	113.9%	6.7%	25.8%
Jinmao	817 HK Equity	32.6%	24.4%	28.7%	115.4%	54.8%	34.7%	49.9%
Ronshine	3301 HK Equity	5.4%	12.0%	15.9%	142.6%	103.9%	106.8%	N/A
R&F	2777 HK Equity	-3.7%	10.0%	5.4%	60.1%	34.5%	11.9%	0.0%
Sino-Ocean	3377 HK Equity	-9.0%	0.0%	18.7%	55.2%	40.1%	24.3%	1.0%
Greentown	3900 HK Equity	42.1%	15.0%	33.8%	-2.0%	7.8%	33.2%	-9.4%
Agile	3383 HK Equity	4.4%	0.0%	14.9%	14.4%	69.8%	19.4%	0.2%
Aoyuan	3883 HK Equity	11.2%	12.0%	29.3%	100.2%	78.1%	68.8%	24.1%
Midea	3990 HK Equity	19.4%	N/A	28.1%	55.8%	146.1%	85.6%	N/A
Logan	3380 HK Equity	23.2%	20.2%	33.7%	65.4%	51.2%	40.0%	53.6%
KWG	1813 HK Equity	14.9%	20.0%	31.5%	128.3%	28.6%	10.4%	-1.5%
Kaisa	1638 HK Equity	23.1%	13.5%	25.8%	56.7%	49.8%	222.5%	-60.0%
SCE	1966 HK Equity	31.9%	15.5%	56.7%	54.5%	41.3%	62.1%	21.9%
BCL	2868 HK Equity	-9.2%	-1.0%	14.4%	26.5%	22.7%	40.0%	30.8%
Times	1233 HK Equity	19.0%	5.0%	29.3%	45.6%	41.9%	50.3%	28.3%
Yuzhou	1628 HK Equity	52.5%	33.1%	34.1%	38.9%	73.7%	65.5%	16.8%
Yuexiu	123 HK Equity	39.7%	11.2%	24.8%	41.4%	35.1%	21.7%	12.9%
Redsun	1996 HK Equity	30.3%	15.1%	37.7%	N/A	N/A	N/A	N/A
CCRE	832 HK Equity	0.4%	11.4%	33.8%	76.5%	51.0%	28.0%	1.2%
Powerlong	1238 HK Equity	23.6%	24.3%	47.1%	96.5%	18.4%	23.3%	36.7%
Greenland	337 HK Equity	-29.7%	13.5%	27.8%	26.0%	65.3%	4.8%	34.5%
Poly Prop	119 HK Equity	46.7%	N/A	20.2%	12.5%	2.6%	24.7%	29.7%
Modern	1107 HK Equity	11.6%	16.0%	14.2%	42.9%	33.9%	46.8%	57.2%
Fantasia	1777 HK Equity	44.6%	24.3%	20.0%	49.6%	65.2%	8.3%	10.3%
Jiayuan	2768 HK Equity	7.6%	24.7%	43.1%	94.6%	N/A	N/A	N/A
Jingrui	1862 HK Equity	7.7%	0.0%	-0.3%	37.4%	9.5%	93.0%	-4.5%
Hopson	754 HK Equity	43.9%	N/A	42.0%	62.3%	13.9%	-18.8%	86.6%
Sunshine 100	2608 HK Equity	6.4%	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	-33.4%	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		9.4%	8.7%	20.1%	31.5%	52.9%	54.8%	18.3%

Source: Company Data, AMTD Research

Notes: 1) Company name highlighted in light yellow denotes AMTD coverage; 2) Top 30 developers are those names in Figure 14

Real Estate Investment

10M20 real estate investment has reached RMB11.7tn, implying a YoY growth of +6.3%. In Oct, real estate investment achieved ~RMB1.3tn with a YoY growth of +12.7% and the monthly real estate investment growth has recorded high since Aug 2018.

10M20 YoY growth of property under construction stood at 3.0%, slight down from 3.1% in 9M20. New construction starts in Oct rose by 3.5%, returning to positive from -1.9% in Sep 2020.

Figure 23: In Oct, real estate investment and property under construction increased by 12.7% and 3.0% respectively



Source: NBS, Wind, AMTD Research

Figure 24: New construction starts in Oct increased by 3.5%, returning to positive from -1.9% in Sep



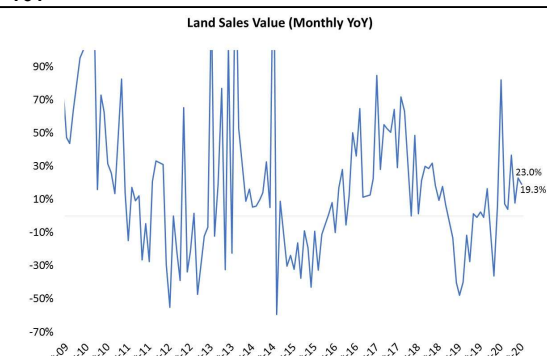
Source: NBS, Wind, AMTD Research

Land Market

In Oct, national land sales value recorded ~RMB207bn, implying 10M20 value reached ~RMB1.1tn. Land sales value in Oct remained two-digit growth with a monthly YoY growth of 19.3% from 23.0% in Sep, monthly land sales volume continued to decrease with a YoY growth of -5.6%. Land sales volume lagged behind the level last year with a 10M20 YoY growth of -3.3% and land sales value recorded a YTD YoY growth of +14.8% in 10M20, implying average land cost increased by 18.7% to RMB6,406/sq.m.

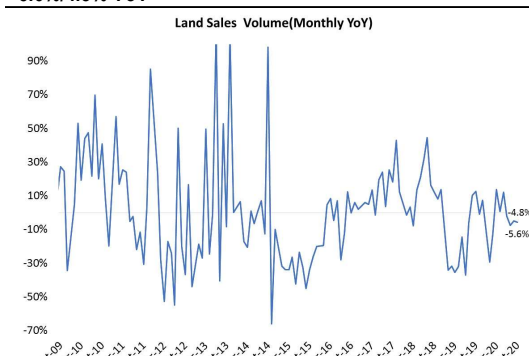
100-city residential land premium rate stood at 11% in Oct, down from 15% in Sep. Tier-1 cities' premium rate increased to 7% in Oct from 5% in Sep, while the land premium rate in Tier-2 / Tier-3 cities decreased to 10% / 13% in Oct from 13% / 23% in Sep.

Figure 25: Land sales value in Oct/Sep rose by 19.3%/23.0% YoY

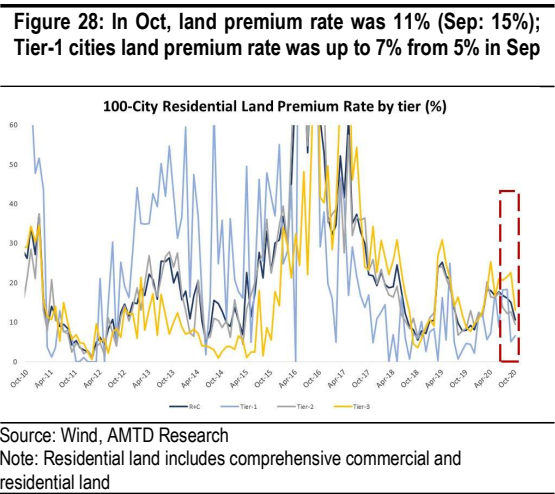
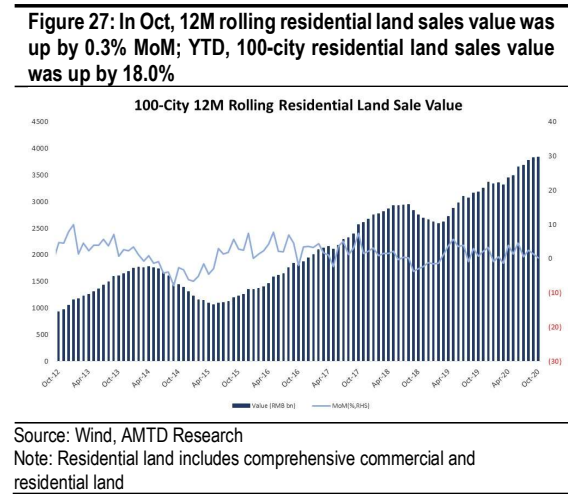


Source: NBS, Wind, AMTD Research

Figure 26: Land sales volume in Oct/Sep was down by 5.6%/4.8% YoY



Source: NBS, Wind, AMTD Research



Policy and Macro Backdrop

As the housing price growth stabilizes, the introduction of property-related policies has slowed since October. Those policies rolled out in the last two months focus on pre-approved housing prices, pre-sale fund supervision and tightening capital (insurance fund and online microlending) inflow into the real estate market.

On Nov 8, Evergrande (3333 HK, NR) announced it decided to terminate the reorganization plan with Shenzhen Special Economic Zone Real Estate & Properties Group (000029 SZ, NR). Of the RMB130bn equity interests held by strategic investors, strategic investors holding equity interests of RMB86.3bn have already entered into supplemental agreements under which the investors agreed not to require the repurchase of their equity interests and will continue to hold their interests in Hengda Real Estate (Evergrande's unit).

Strategic investors holding RMB35.7bn equity interests will enter into agreements soon, and negotiations with strategic investors holding RMB5bn are in progress. Evergrande has paid the principal of the remaining strategic investors holding RMB3bn equity interests in Hengda Real Estate and will repurchase their equity interests. Thus the termination of reorganization will not pose a heavy burden on Evergrande's cash flow.

In our view, the termination implies a clear political stance that the authorities will not lift the restrictions on both debt and equity refinancing in the real estate industry. Deleveraging will further weigh on developers' growth and the developers with strong balance sheets will benefit from the environment.

Figure 29: The introduction of property-related policies has slowed in 4Q

Date	Region/Institution	Details
13-Nov-20	CBIRC	Insurance funds are prohibited to invest in the enterprises that directly engage in real estate development and construction, including the development or sale of commodity residences.
10-Nov-20	Kunming	Kunming strengthens the commercial housing pre-sale funds supervision and requires 30% of pre-sale funds shall be under supervision.
6-Nov-20	Haiyan, Zhejiang	It is strictly prohibited to give false preferential treatment, give false gifts and etc when selling housing.
5-Nov-20	Fuzhou, Fujian	For eligible talents, they can enjoy 30% off the pre-approved price at the time of pre-sale or 30% off the market price at the time of sales of existing houses when they buy housing.
4-Nov-20	Lishui, Zhejiang	The pre-sale GFA of every batch of commercial housing shall be no less than 50,000sqm. For those with GFA of more than 50,000 sqm but less than 100,000sqm, commercial housing can be pre-sold in two batches with GFA of no less than 20,000sqm per batch.
3-Nov-20	Taizhou, Zhejiang	The newly purchased housing (including newly-built and secondary housing) in Taizhou urban areas shall not be transferred until 3 years after the property certificates have been obtained. The purchase time shall be subject to the time of the online signing of the transaction contract.
3-Nov-20	14th Five Year Plan	To promote the healthy development of the property market, the authority will insist on the stance that "housing is for living in not for speculation", simultaneously develop housing rental and sale market, and adopt policies based on urban conditions.
2-Nov-20	PBoC	Online microlending shall not be used for buying housing and paying off mortgages.
23-Oct-20	Quzhou, Zhejiang	For the land parcels with high market attention, before the land is sold, it should be clear that the commercial housing built on the lands shall not be transferred within 5 years from the date of the online signature of the commercial housing sale contract for the record.
9-Oct-20	Shaoxing, Zhejiang	The recorded price of a new housing project shall take into account factors such as the price of other similar housing in the same region or "land price + cost".
9-Oct-20	Xuzhou, Jiangsu	No adjustment shall be made within one year after the sales price of housing is filed. For residents with Hukou of Xuzhou who have just one housing, commodity housing within 2 years from the date of ownership registration or within 5 years from new housing contract recorded online, shall not be traded.

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

Recent Announcements of AMTD Coverage

Central China Real Estate (832 HK)

(17 Nov) The Company proposes to spin-off and separately list the shares of Central China Management Company Limited on the Main Board of The Stock Exchange of Hong Kong Limited by way of introduction, to be implemented by means of a distribution in specie of the entire issued share capital of CCMC owned by the Company to the shareholders of the Company.

China Aoyuan (3883 HK)

(11 Nov) Issuance of USD230mn 5.98% senior notes due 2025

Powerlong (1238 HK)

(22 Oct) Issuance of US\$200mn 5.95% senior notes due 2025

Central China New Life (9983 HK)

(6 Nov) Mr. Wang Jun, the chairman of the Board, an executive Director and the chief executive officer of the Company, acquired 282,000 shares of the Company at an average price of HK\$7.66 per share during 5 November 2020 to 6 November 2020 in the open market for an aggregate of HK\$2,161,450 (excluding the relevant transaction fees).

(5 Nov) Enjoy Start Limited, its controlling shareholder, acquired 653,000 shares of the Company at an average price of HK\$7.55 per share during 3 November 2020 to 5 November 2020 in the open market for an aggregate of HK\$4,928,850 (excluding the relevant transaction fees).

(30 Oct) Mr. Wang Jun, the chairman of the Board, an executive Director and the chief executive officer of the Company, acquired 149,000 shares of the Company at an average price of HK\$6.94 per share on 30 October 2020 in the open market for an aggregate of HK\$1,033,620 (excluding the relevant transaction fees).

Far East (35 HK)

(16 Nov) A meeting of the Board of the Company will be held on Thursday, 26 November 2020 for the purposes of, among other matters, approving the announcement of the consolidated interim results of the Company and its subsidiaries for the six months ended 30 September 2020 for publication and considering the payment of interim dividend, if applicable.

Yuzhou (1628 HK)

(27 Oct) On 27 October 2020, 780,000 shares (0.014% of issued share capital of the Company) with total consideration of HK\$2,330,874 have been purchased on the Stock Exchange by the trustee for the purpose of the Share Award Scheme.

(29 Sep) The Company has adopted the Scheme in which the Employees will be entitled to participate. The Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date. The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding 10% of the issued share capital of the Company from time

to time. The maximum number of shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Dafa (6111 HK)

(13 Nov) The company announced the disposal of 88.3% equity interest in Ningbo Yuyao Kairun Real Estate with a consideration of RMB11,126,000 and the disposal of 100% equity interest in Wuhu Yinyi Real Estate with a consideration of RMB86,784,245.94. The principal assets of Yuyao Kairun are several completed properties held for sale, including parking spaces, with GFA of approximately 1,000 sq.m. of Yuyao Bliss Mansion (余姚融悦府), which is a residential property project located in Ningbo. The principal assets of Wuhu YinYi are several completed properties held for sale, including parking spaces, with GFA of approximately 164,000 sq.m. of Dafa Bliss Oriental (Wuhu) (大發融悅東方(蕪湖)), which is a residential property project located in Wuhu.

(27 Oct) The company announced the disposal of 100% equity interest in Shanghai Kaiyang Real Estate at a total consideration of RMB24,631,629.43. The principal assets of the Target Company are an investment property and several completed properties held for sale, including parking spaces, with an aggregate GFA of approximately 28,000 sq.m. of Dafa Bliss Four Seasons Project (大發融悅四季項目), which is a residential property project located in Shanghai.

(15 Oct) Issuance of additional US\$130,000,000 12.375% senior notes due 2022 (to be consolidated and form a single series with the US\$150,000,000 12.375% senior notes due 2022 issued by the company on 30 July 2020).

Minmetals (230 HK)

(6 Nov) Reference is made to the announcement of the Company dated 28 October 2020 in relation to, among other things, the formation of the JV Company for the acquisition of interests in a certain land parcel in Guangzhou City. On 6 November 2020, the JV Company (an indirect non-wholly owned subsidiary of the Company) has received a written notice from Guangzhou Enterprises Mergers and Acquisitions Services (廣州產權交易所) confirming that the JV Company has succeeded in the bid for acquiring 90% of the equity interest in and the related shareholder's loan to the Project Company, which will be the sole owner of the land use rights of the Land, from the Seller at a total consideration of approximately RMB2,382.10 million.

(29 Oct) On 28 October 2020, Shengshi Guangye (an indirect wholly owned subsidiary of the Company) and the JV Partner entered into the Cooperation Agreement in relation to, among other things, the formation of the JV Company on a 51:49 basis for the acquisition of interests in a certain land parcel in Guangzhou City. The total commitments of Shengshi Guangye and the JV Partner in the JV Company will be an aggregate of approximately RMB4,547.00 million, of which Shengshi Guangye shall contribute RMB2,318.97 million and the JV Partner shall contribute RMB2,228.03 million, respectively. Upon its formation, the JV Company will be owned 51% and 49% by Shengshi Guangye and the JV Partner, respectively, and will be accounted for as a subsidiary of the Company on a consolidated basis.

Offshore Fund Raising

In Oct, there were 16 offshore bond issuances announced by major listed China developers and funded total USD5,100mn with a simple average coupon of 6.770%.

As of 16 Nov 2020, 8 bond issuances have already been announced by major listed China developers in Nov and funded total USD2,316mn with a simple average coupon of 7.173%.

Figure 30: Bond Financing of China developers over the last three months

Announcement Date	Ticker	Developer	Type	Due Date	Coupon (%)	Currency	Amount (m)
1-Sep-20	9968.HK	Huijing	Bond	2021	12.500%	USD	25
2-Sep-20	1638.HK	Kaisa	Bond	2025	11.250%	USD	400
3-Sep-20	1668.HK	China South City	Bond	2023	10.750%	USD	250
11-Sep-20	6158.HK	Zhenro	Bond	2025	7.350%	USD	350
14-Sep-20	Xin.NYSE	Xinyuan RE	Bond	2023	14.500%	USD	300
15-Sep-20	1997.HK	Wharf REIC	Bond	2023	3.200%	CNH	500
16-Sep-20	1233.HK	Times China	Bond	2026	6.200%	USD	350
17-Sep-20	3883.HK	Aoyuan	Bond	2026	6.200%	USD	350
23-Sep-20	1238.HK	Powerlong	Bond	2024	6.250%	USD	150
24-Sep-20	1638.HK	Kaisa	Bond	2079	10.875%	USD	200
28-Sep-20	600340.SH	CFLD	Bond	2022	8.750%	USD	330
8-Oct-20	3383.HK	Agile	Bond	2025	6.050%	USD	300
8-Oct-20	2768.HK	Jiayuan	Bond	2023	12.500%	USD	200
12-Oct-20	2103.HK	Sinic	Bond	2021	9.500%	USD	250
13-Oct-20	3380.HK	Logan	Bond	2025	5.250%	USD	300
16-Oct-20	2007.HK	Country Garden	Bond	2025	3.125%	USD	500
16-Oct-20	2007.HK	Country Garden	Bond	2030	3.875%	USD	500
16-Oct-20	35.HK	FEC	Bond	2033	5.250%	USD	200
16-Oct-20	2007.HK	Country Garden	Bond	2025	3.125%	USD	500
16-Oct-20	2007.HK	Country Garden	Bond	2030	3.875%	USD	500
19-Oct-20	1777.HK	Fantasia	Bond	2023	9.875%	USD	200
21-Oct-20	600606.SH	Greenland	Bond	2022	6.750%	USD	250
21-Oct-20	1966.HK	China SCE	Bond	2025	7.000%	USD	500
22-Oct-20	1238.HK	Powerlong	Bond	2025	5.950%	USD	200
22-Oct-20	3900.HK	Greentown	Bond	2025	4.700%	USD	300
22-Oct-20	2772.HK	ZL	Bond	2022	9.500%	USD	200
29-Oct-20	1902.HK	Yincheng	Bond	2021	12.000%	USD	200
8-Nov-20	1813.HK	KWG	Bond	2026	6.300%	USD	400
9-Nov-20	884.HK	CIFI	Bond	2026	5.250%	USD	350
10-Nov-20	119.HK	Poly Property	Bond	2025	4.000%	USD	500
11-Nov-20	3883.HK	China Aoyuan	Bond	2025	5.980%	USD	230
11-Nov-20	1622.HK	Redco	Bond	2024	9.900%	USD	266
12-Nov-20	6158.HK	Zhenro	Bond	2021	5.950%	USD	200
12-Nov-20	000671.SZ	Sunshine City	Bond	2025	7.500%	USD	270
12-Nov-20	2768.HK	Jiayuan	Bond	2023	12.500%	USD	100

Source: Wind, HKEx, AMTD Research

Notes: As of 16 Nov 2020

Equity Fund Raising

In October, Evergrande announced equity placement of total ~HK\$5.0bn gross proceeds with a placing price discount of 14.68%, and the 261mn placing shares accounts for 1.96% of the total enlarged issued shares. The proceeds are intended to be used for refinancing of existing indebtedness and general working capital purposes of the group.

Figure 31: 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							
3333 HK	Evergrande	14-Oct-20	5,041	19.34	14.68%	261	2.0%
2777 HK	R&F	15-Sep-20	2,524	9.82	1.31%	257	6.9%
817 HK	China Jinmao	3-Jul-20	3,433	5.70	6.56%	602	4.9%
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							
9909 HK	Powerlong CM	10-Sep-20	273	24.30	0.00%	11	1.8%
9928 HK	Times Neighborhood	7-Jul-20	787	10.22	6.92%	77	7.8%
1895 HK	Xinyuan PM	3-Jul-20	130	2.60	9.09%	50	9.1%
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; As of 16 Nov 2020

Initial Public Offering

In October, there were 5 IPOs with total gross proceeds of HK\$19bn, including 1 developer and 4 property services companies. As of 17th Nov, there have been 2 IPOs in Nov with total gross proceeds of HK\$7bn, including 1 developer and 1 property services company, and Shinsun (2599 HK, NR) will be listed on 18th Nov and Sunac Services (1516 HK, NR) will be listed on 19th Nov.

Figure 32: IPO in HKEx in China developers industry and property management industry in 2020

Ticker	Company	IPO Date	2019 PE at IPO Price	First Trading Day performance	Gross Proceeds (HK\$ mn)	IPO Price (HK\$)	Actual IPO Shares(mn)	Planned IPO Shares(mn)
China Developers								
2599.HK	Shinsun	18-Nov-20	6.2x	NA	3,354	5.59	600	600
6900.HK	Sunkwan	17-Nov-20	17.7x	0.88%	1,140	2.28	500	500
9993.HK	Radiance	29-Oct-20	5.8x	1.40%	2,580	4.30	600	600
6968.HK	Ganglong China	15-Jul-20	8.2x	-0.25%	1,692	3.93	431	400
9968.HK	Huijing	16-Jan-20	14.0x	-0.54%	1,521	1.93	788	788
Property Management								
1516.HK	Sunac Services	19-Nov-20	NA	NA	NA	NA	NA	690
9666.HK	Jinke Services	17-Nov-20	65.6x	0.11%	5,941	44.70	133	133
0873.HK	Shimao Services	30-Oct-20	86.3x	0.00%	9,765	16.60	588	588
3913.HK	KWG Living	30-Oct-20	85.3x	-22.94%	3,025	7.89	383	383
2107.HK	First Service	22-Oct-20	26.4x	-26.67%	600	2.40	250	250
6989.HK	Excellence CM	19-Oct-20	61.0x	3.00%	3,444	10.68	322	300
9979.HK	Greentown Mgmt	10-Jul-20	12.2x	30.00%	1,313	2.50	525	478
6958.HK	Zhenro Services	10-Jul-20	38.1x	23.08%	1,308	4.55	288	250
1971.HK	Redsun Services	7-Jul-20	24.8x	6.02%	477	4.15	115	100
1502.HK	Financial Street PPT	6-Jul-20	22.2x	28.53%	762	7.36	104	90
9983.HK	CC New Life	15-May-20	31.0x	21.31%	2,363	6.85	345	300
1941.HK	Ye Xing Group	13-Mar-20	20.8x	10.26%	156	1.56	100	100
9916.HK	Xingye Wulian	9-Mar-20	19.2x	0.55%	199	1.99	100	100

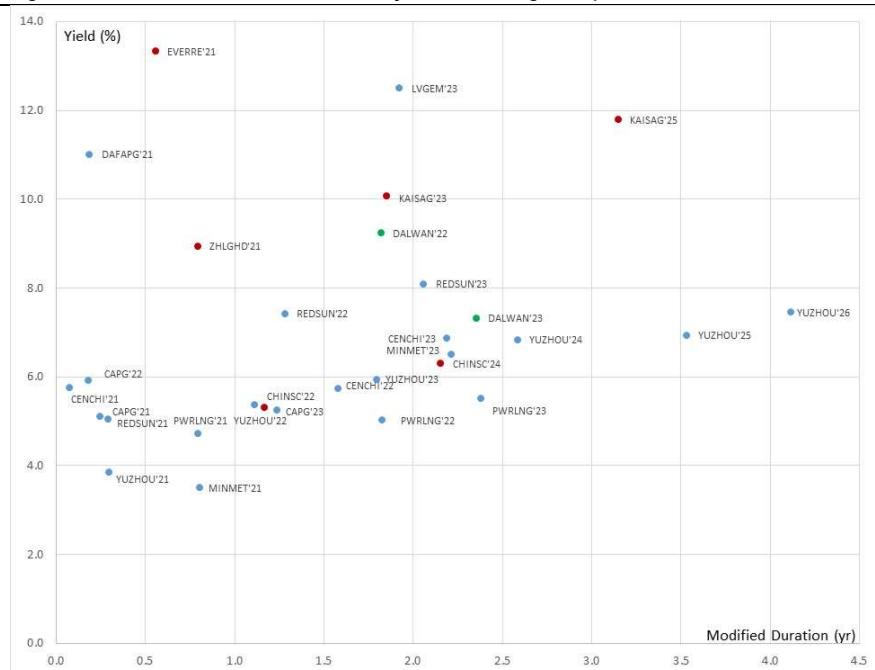
Source: Wind, HKEx, AMTD Research

Note: As of 16 Nov 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 Treasury and 12-Month US Treasury was 0.78% and 0.12% in Oct, compared with 0.64% and 0.12% in Sep. For offshore HY bonds in China Property sector, the z-spread difference between B and BB rating hovered at ~210bps in Oct.

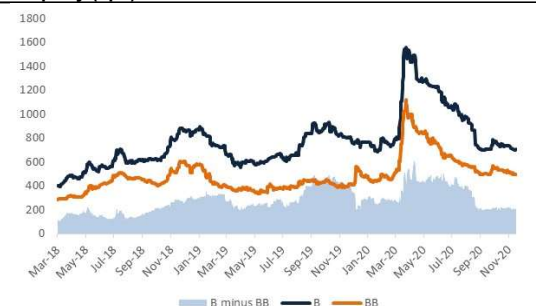
Figure 33: Relative Value of Bonds issued by AMTD coverage companies as at 16 Nov 2020



Source: Bloomberg, AMTD Research

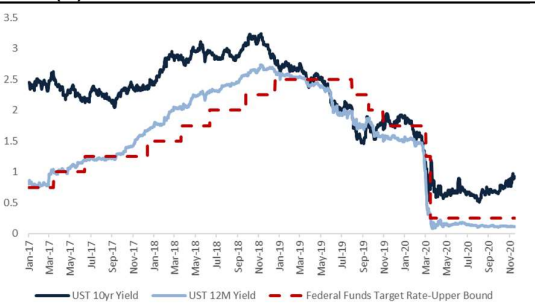
Notes: Blue denotes bonds issued by AMTD Coverage; Green denotes BB rating bonds; Red denotes B rating bonds

Figure 34: Average Z-Spread of HY Offshore Bonds in China Property (bps)



Source: Bloomberg, AMTD Research

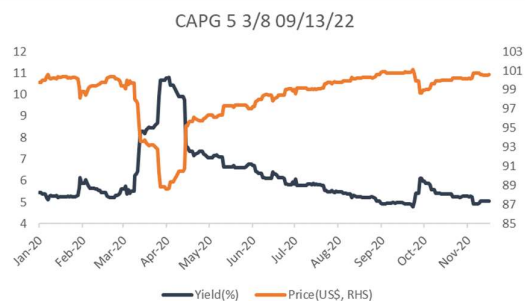
Figure 35: UST 12M/10yr Yield and Federal Funds Target Rate (%)



Source: Bloomberg, AMTD Research

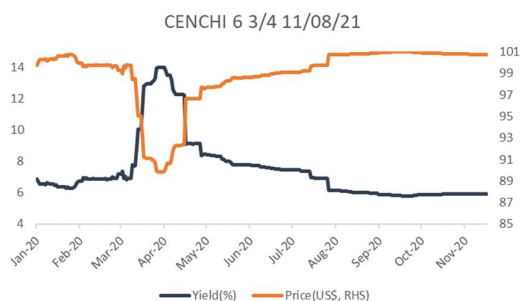
Bond Performance of AMTD Coverage

Figure 36: Aoyuan Property Bond time series (Price vs YTM)



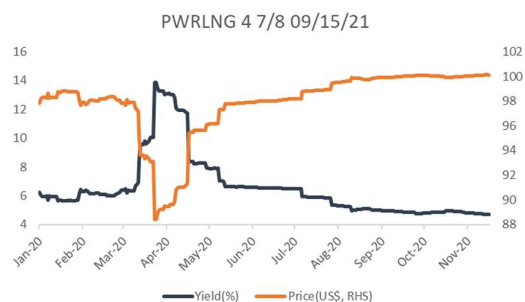
Source: Bloomberg, AMTD Research

Figure 37: CCRE Property Bond Time Series (Price vs YTM)



Source: Bloomberg, AMTD Research

Figure 38: Powerlong Property Bond Time Series (Price vs YTM)



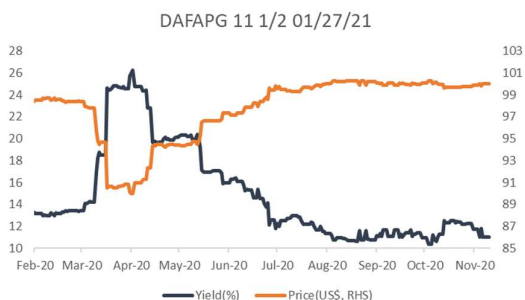
Source: Bloomberg, AMTD Research

Figure 39: Redsun Property Bond Time Series (Price vs YTM)



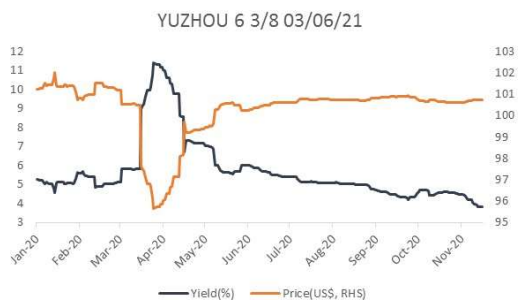
Source: Bloomberg, AMTD Research

Figure 40: Dafa Property Bond time series (Price vs YTM)

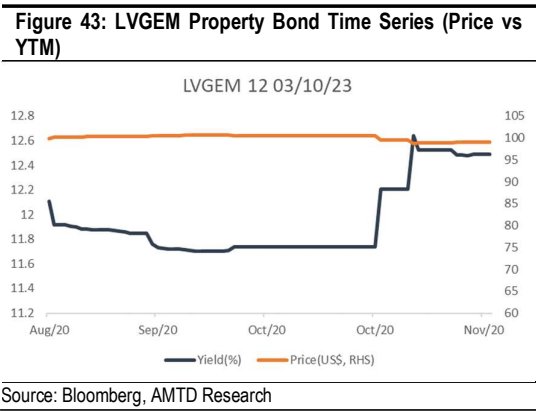
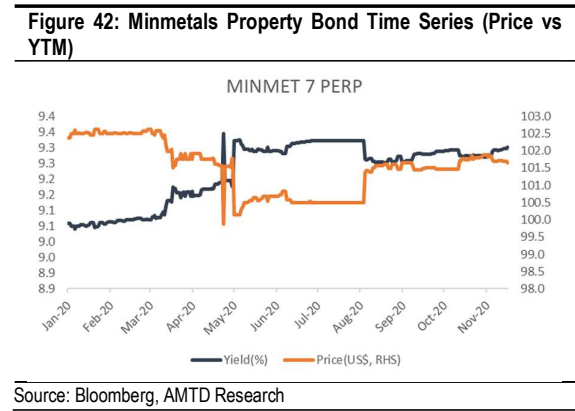


Source: Bloomberg, AMTD Research

Figure 41: Yuzhou Property Bond Time Series (Price vs YTM)



Source: Bloomberg, AMTD Research



Valuation

China Property Developers

China Property Developers are trading at 5.4x 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, ~0.56 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 valuation of 4.3x/3.0x/5.3x 20E P/E respectively and CCRE also offered 10.8% FY19 dividend yield, far exceeding the industry average of 7.0%.

Figure 44: China Property Developers: Peers Valuation comparison

Date	16/11/2020	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	27.30	49,793	7.2x	6.5x	5.8x	1.5x	1.3x	1.1x	4.3%
960 HK	Longfor	48.90	37,878	16.6x	13.7x	11.7x	2.8x	2.5x	2.2x	2.8%
1109 HK	CR Land	35.00	32,190	7.7x	9.2x	7.9x	1.3x	1.2x	1.1x	3.5%
2007 HK	Country Garden	10.74	30,523	5.2x	4.9x	4.3x	1.4x	1.2x	1.0x	6.0%
3333 HK	Evergrande	16.94	29,115	11.7x	7.2x	6.2x	1.4x	1.2x	1.1x	4.4%
688 HK	COLI	19.70	27,835	4.7x	5.2x	4.5x	0.7x	0.7x	0.6x	5.4%
1918 HK	Sunac	31.65	19,027	6.0x	4.4x	3.7x	1.5x	1.2x	0.9x	4.4%
813 HK	Shimao	30.40	13,871	8.3x	7.4x	6.1x	1.4x	1.2x	1.0x	5.4%
3380 HK	Logan	12.50	8,899	6.2x	5.0x	4.1x	1.9x	1.5x	1.2x	7.5%
884 HK	CIFI	6.15	6,520	7.8x	5.4x	4.4x	1.4x	1.1x	0.9x	5.7%
3383 HK	Agile	11.70	5,911	6.1x	5.0x	4.6x	0.9x	0.7x	0.7x	8.9%
1030 HK	Seazen	6.61	5,294	5.2x	4.3x	3.6x	1.4x	1.1x	0.9x	5.3%
2777 HK	R&F	10.30	4,985	3.1x	3.2x	2.8x	0.4x	0.4x	0.4x	14.1%
1813 HK	KWG	11.42	4,681	3.6x	5.0x	4.1x	0.9x	0.8x	0.7x	7.4%
3900 HK	Greentown	11.42	3,673	9.6x	8.9x	8.1x	0.8x	0.8x	0.8x	3.0%
123 HK	Yuxiu	1.58	3,155	5.9x	5.3x	4.5x	0.5x	0.5x	0.5x	6.5%
1238 HK	Powerlong*	5.69	3,040	7.7x	5.3x	4.2x	0.6x	0.6x	0.6x	7.2%
1638 HK	Kaisa	3.82	3,021	8.1x	3.8x	3.0x	0.8x	0.7x	0.6x	3.0%
3990 HK	Midea RE	18.22	2,892	5.0x	3.8x	3.1x	1.0x	0.9x	0.7x	10.0%
3883 HK	Aoyuan*	8.00	2,789	4.7x	3.0x	2.7x	1.3x	1.0x	0.8x	7.6%
1233 HK	Times	11.08	2,775	3.5x	3.3x	2.8x	1.0x	0.8x	0.7x	8.6%
6158 HK	Zhenro	4.86	2,738	7.5x	7.0x	5.7x	1.1x	0.9x	0.9x	2.3%
2772 HK	Zhongliang	5.08	2,347	3.9x	3.5x	2.9x	1.9x	1.3x	1.0x	19.5%
1628 HK	Yuzhou*	3.07	2,197	4.0x	3.9x	2.7x	0.6x	0.6x	0.5x	13.4%
1966 HK	China SCE	3.44	1,873	4.2x	3.8x	3.1x	0.7x	0.6x	0.5x	7.0%
95 HK	Lvgem*	2.45	1,610	8.9x	6.6x	6.4x	0.8x	0.8x	0.7x	2.5%
832 HK	CCRE*	4.37	1,594	5.5x	4.3x	3.1x	1.1x	1.0x	0.8x	10.8%
1996 HK	Redsun*	2.90	1,242	6.9x	5.0x	4.2x	0.6x	0.6x	0.5x	4.3%
3301 HK	Ronshine	5.66	1,230	2.7x	3.0x	2.2x	0.5x	0.5x	0.4x	6.5%
119 HK	Poly Prop	2.44	1,152	2.6x	3.0x	2.7x	0.3x	0.3x	0.3x	8.6%
272 HK	Shui On Land	1.10	1,144	4.9x	NA	NA	0.2x	0.2x	NA	11.3%
2019 HK	Dexin China	2.92	1,017	4.4x	4.0x	3.3x	1.4x	NA	NA	3.1%
1098 HK	Roadking	10.00	966	2.5x	NA	NA	0.4x	NA	NA	11.8%
6111 HK	Dafa*	6.50	694	10.1x	9.6x	9.0x	1.4x	1.3x	1.2x	2.5%
230 HK	Minmetals*	0.91	393	3.7x	4.6x	3.3x	0.3x	0.3x	0.3x	8.8%
Total/Average			318,064	6.2x	5.4x	4.6x	1.0x	0.9x	0.8x	7.0%

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

Note: As of 16 Nov 2020

Figure 45: HK SAR Developers: Peers Valuation comparison

Date	16/11/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
Ticker	Name (EN)	(HK\$)	(USD mn)	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20
HK SAR Property Developers										
16 HK	SHK Properties	104.10	38,906	10.28x	9.63x	9.32x	0.53x	0.51x	0.49x	4.8%
1113 HK	CK Asset	41.65	19,840	7.87x	7.08x	6.71x	0.43x	0.41x	0.39x	3.8%
12 HK	Henderson Land	31.00	19,357	10.11x	10.87x	9.79x	0.45x	0.45x	0.44x	5.8%
17 HK	NWD*	39.65	13,036	12.41x	12.04x	10.05x	0.45x	0.44x	0.43x	5.2%
83 HK	Sino Land	9.75	8,859	15.00x	7.12x	8.52x	0.47x	0.44x	0.42x	6.1%
683 HK	Kerry Properties	20.30	3,813	7.64x	6.88x	6.22x	0.29x	0.28x	0.27x	6.7%
35 HK	Far East*	2.41	742	6.75x	5.14x	3.93x	0.51x	0.51x	0.48x	7.9%
Total/Average			104,553	10.01x	8.39x	7.79x	0.45x	0.43x	0.42x	5.8%

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

Note: Apart from SHK/Sino/FEC, all other comparable companies' FY20E P/E, P/B and dividend yield are estimates

Figure 46: China developers sector is now trading at 6.0x P/E, ~0.56 SD below 3-year historical mean



Source: Bloomberg, AMTD Research

Figure 47: 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 25.2x FY20E P/E on simple average and at 25.0x forward 12 months P/E on market-cap-weighted average, ~0.10 SD below 3-year historical mean.

Figure 48: China Property Management Companies: Peers Valuation comparison

Date	16/11/2020	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	48.15	17,136	69.1x	47.5x	33.4x	21.9x	15.9x	11.5x	0.4%
3319 HK	A-Living Services	35.15	6,045	34.4x	24.3x	18.4x	6.8x	5.6x	4.7x	1.5%
873 HK	Shimao Services	16.00	4,855	NA	9.4x	24.0x	NA	6.0x	4.9x	0.0%
6049 HK	Poly PPT Dev	55.60	3,968	41.1x	39.1x	28.9x	5.3x	4.8x	4.2x	0.6%
2869 HK	Greentown Service	8.47	3,515	45.0x	34.7x	26.8x	7.7x	4.1x	3.8x	1.0%
1995 HK	Eversunshine	13.92	2,999	85.9x	52.4x	34.0x	16.8x	8.9x	7.5x	0.4%
2669 HK	China Overseas PH	5.18	2,196	32.3x	26.8x	20.6x	11.3x	8.9x	6.8x	1.0%
1755 HK	S-Enjoy Services	20.00	2,115	52.9x	33.8x	22.4x	15.9x	11.5x	8.7x	1.0%
9909 HK	Powerlong CM	22.00	1,763	45.0x	41.0x	28.3x	7.5x	6.6x	5.6x	0.0%
3913 HK	KWG Living	5.17	1,345	NA	29.1x	15.5x	NA	2.8x	2.4x	0.0%
9983 HK	CC New Life*	7.58	1,217	NA	19.1x	17.4x	NA	3.2x	2.8x	NA
9928 HK	Times Neighbor	7.75	985	42.6x	29.1x	16.8x	7.1x	4.6x	3.8x	0.5%
9979 HK	Greentown Mgmt	3.21	811	NA	13.4x	11.8x	2.6x	1.6x	1.5x	0.0%
2606 HK	Languang Justbon	31.30	719	9.1x	8.5x	6.5x	2.3x	1.9x	1.6x	4.4%
1778 HK	Colour Life	3.80	713	9.4x	8.9x	8.2x	1.3x	1.1x	1.0x	2.7%
6958 HK	Zhenro Services	4.74	634	NA	20.8x	14.7x	NA	NA	NA	0.0%
3316 HK	Binjiang Services	15.06	537	27.9x	19.6x	16.1x	5.2x	NA	NA	1.7%
3662 HK	Aoyuan Healthy Life*	5.10	478	17.6x	13.1x	8.7x	3.7x	3.2x	2.7x	1.9%
2168 HK	Kaisa Prosperity	21.05	418	16.0x	12.5x	9.0x	4.0x	2.4x	2.1x	2.5%
1971 HK	Redsun Services	5.00	268	NA	20.5x	12.5x	NA	2.7x	2.6x	0.0%
Total/Average				37.7x	25.2x	18.7x	8.0x	5.3x	4.3x	1.0%

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

Note: As of 16 Nov 2020

Figure 49: China property management sector is now trading at 25.0x P/E, ~0.10SD below 3-year historical mean



Source: Bloomberg, AMTD Research

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