

## At the Forefront of China Property

### Opportunities emerging in Property Management Sector

We believe value is emerging among small cap property management companies. We believe Aoyuan Healthy Life is underappreciated by the market, especially considering the recent completion of their major M&A of the year (Easy Life). For Property Developers, Powerlong, Yuzhou and Redsun under our coverage have already achieved >96% of sales target.

#### Valuations Diverging among Property Management Companies

The flurry of new listings of property management companies in the last 2 months have seen a major correction in the property management sector. Sector's valuation has now retreated to 24.5x 12M Fwd P/E, below the 3-year historical mean. We believe market is struggling to differentiate the value proposition of different names and thus been sticking to large cap companies backed by big name developers. This has resulted in a widening valuation gap between large-cap (47.7x P/E) and small-cap companies (19.5x P/E), offering attractive investment opportunities. Fundamentals of some of these small-cap property management companies are unchanged, and the annual results in March 2021 will be positive catalysts to drive a re-rating, in our view.

#### Aoyuan Healthy Life Completes Easy Life Acquisition

Aoyuan Healthy Life (3662.HK, Buy) announced the detailed circular of the Easy Life acquisition on 24<sup>th</sup> Nov 2020, marking the completion of the Easy Life acquisition. We believe market has not yet reflected the significant growth in revenue, earnings and GFA under management into the share price, and we thus believe the stock is undervalued. We estimate Easy Life to contribute ~RMB400mn revenue p.a. and adds 23.3mn sq.m. GFA under management, driving a ~148% rise in Aoyuan Healthy Life's GFA under management.

#### Developers: Powerlong, Yuzhou and Redsun on track to beat sales target

As of Nov, the average run rate based on 2020 contracted sales target stood at 90.3%, surpassing the level of the same period last year (11M19: ~88.7%). Among our coverage universe, Powerlong, Yuzhou and Redsun have already realized 96%, 99% and 99% of their annual targets, and have achieved a 30%, 47% and 28% YTD Nov contracted sales YoY growth (industry mean: 9.6%), respectively.

#### Resilient sales and positive cash flow lay a solid foundation for 2021

Although monthly growth of real estate investment and commodity housing sales has slightly narrowed in Nov, YTD real estate investment further increased to RMB12.9tn (YoY 6.8%) and YTD sales value reached RMB14.9tn (YoY 7.2%). As a result, YTD industry FCF expanded to RMB1.9tn. Such a positive cash flow implies that we are entering 2021 on a solid foundation. Tightened regulations on pre-sale requirements and financing would limit developers' profit margins and growth, but it is evident that most developers have already adapted to this new normal.

#### 2021 Contracted sales growth targets to be next catalyst

We believe China Property Developers' valuation will remain range bound, and valuations remain attractive. We believe the announcement of annual contracted sales growth targets in 1Q2021 will be the next catalyst to drive share prices higher. The sector is currently trading at Fwd 12M P/E of 5.6x on average, ~1.40 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
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

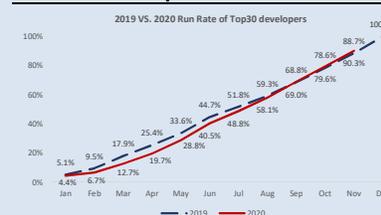
Source: Company data, AMTD Research

### 30-city GFA growth momentum declined



Source: MOHURD, Wind, AMTD Research  
Notes: As of 15 Dec 2020

### Run-rate has surpassed 2019 levels



Source: Bloomberg, Company Data, AMTD Research

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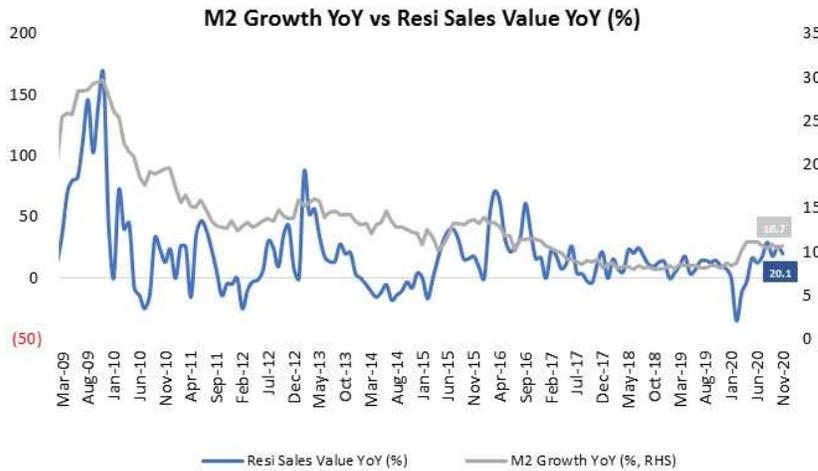
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## National Sales Volume and Value

Residential property sales value remains growth momentum (YoY: 20.1%) in Nov to ~RMB1.5tn underpinned by the easing monetary environment (M2 10.7% YoY). 11M20 YTD total residential sales value recorded ~RMB13.3tn with a YoY growth of 9.5%.

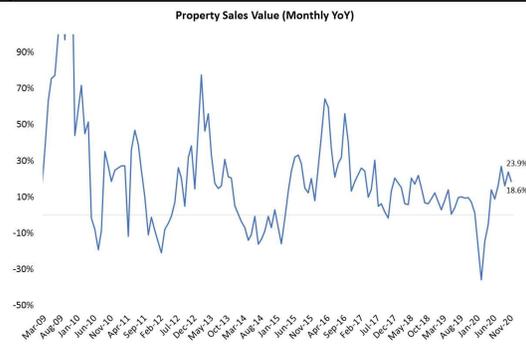
**Figure 1: In Nov, M2 YoY growth slightly widened to 10.7% (Oct: 10.5%) and residential property sales value increase by 20.1% YoY**



Source: PBoC, NBS, Wind, AMTD Research

Commodity property sales value in Nov increased by 18.6% YoY and 11M20 value YoY growth expanded to 7.2% in positive territory since Aug. Commodity Property sales volume in Nov increased by 12.0% YoY and 11M20 volume YoY growth expanded to 1.3%.

**Figure 2: Commodity property sales value in Nov increased by 18.6% YoY**



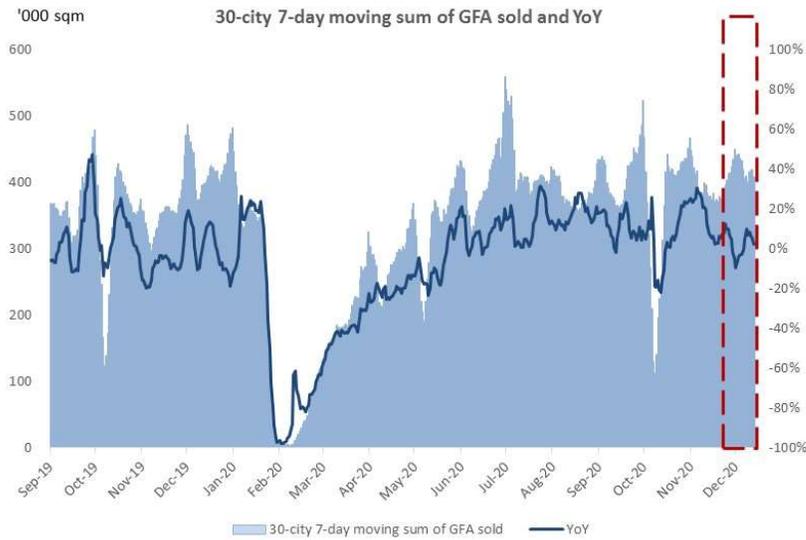
Source: NBS, Wind, AMTD Research

**Figure 3: Commodity Property sales volume in Nov increased by 12.0% YoY**



Source: NBS, Wind, AMTD Research

**Figure 4: Daily Data – 30-city GFA sold growth momentum has declined since Nov**

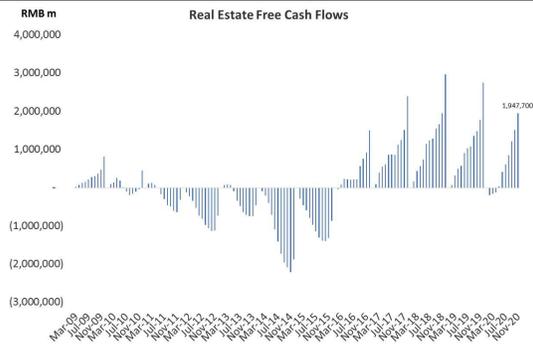


Source: MOHURD, Wind, AMTD Research

**Industry Free Cash Flow**

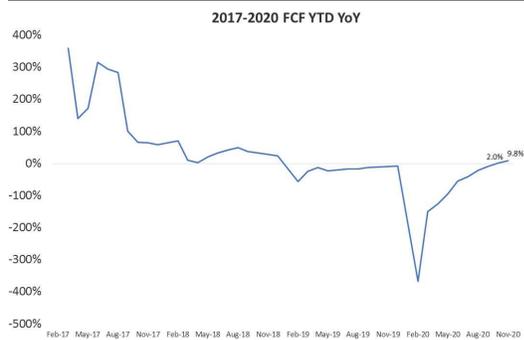
Cash flow has been improving following the pickup in contracted sales as industry FCF has expanded to RMB1.9tn as of Nov from ~RMB1.5tn as of Oct. Meanwhile, YTD industry FCF YoY growth further expanded in positive territory to 9.8%, implying strong cash flow across the industry.

**Figure 5: Industry FCF has reached ~RMB1.9tn as of Nov**



Source: NBS, Wind, AMTD Research  
 Note: Real Estate FCF = National Commodity Property Sales Value – National Real Estate Investment

**Figure 6: Nov YTD FCF YoY stood at 9.8%**



Source: NBS, Wind, AMTD Research

## Property Prices

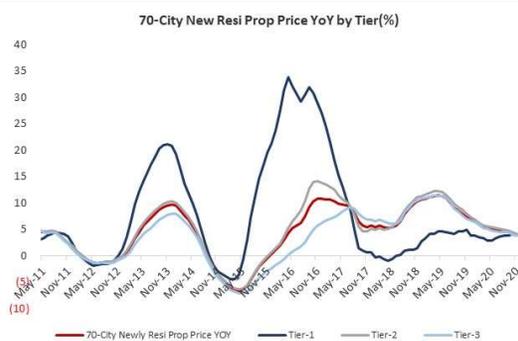
### New Residential Property Prices

In Nov, 70-city new residential property prices YoY growth was 4.0% among which Tier-2 cities had the strongest growth of 4.2%. YoY growth was declining in positive territory from Jan to Nov. New residential property price increased in 60 cities on a YoY basis. Yinchuan city has the highest YoY growth of 15.0% in Nov while Anqing city has the lowest YoY growth of -2.5%.

In Nov, 70-city new residential property price MoM growth was 0.1%, contracting from 0.2% in Oct. On an MoM basis, new residential property price increased in 36 cities, down from 45 in Oct. Guangzhou city has the highest MoM growth of 0.9% in Nov while Taiyuan city, Nanchang city and Nanchong city have the lowest MoM growth of -0.4%.

70-city new residential property price has increased by 3.7% compared with end-Dec 2019, among which Tier-3 cities had the strongest growth of 5.5%. For secondary property, 70-city price has risen by 1.8% since end-Dec, among which Tier-1 cities had the highest growth of 8.3%.

**Figure 7: In Nov, 70-city new residential property price YoY growth was 4.0% and Tier-2 cities had the strongest growth of 4.2%**



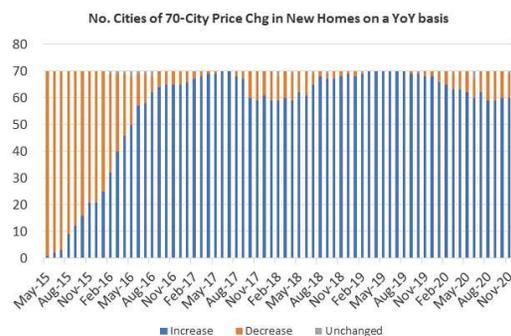
Source: NBS, Wind, AMTD Research

**Figure 8: In Nov, 70-city new residential property price MoM growth was 0.1%, down from 0.2% in Oct**



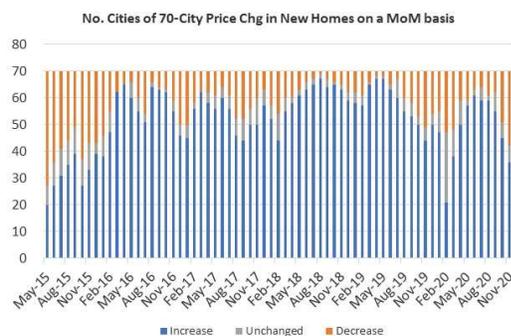
Source: NBS, Wind, AMTD Research

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



Source: NBS, Wind, AMTD Research

**Figure 10: In Nov, newly-built residential property price increased in 36 out of 70 cities on an MoM basis**



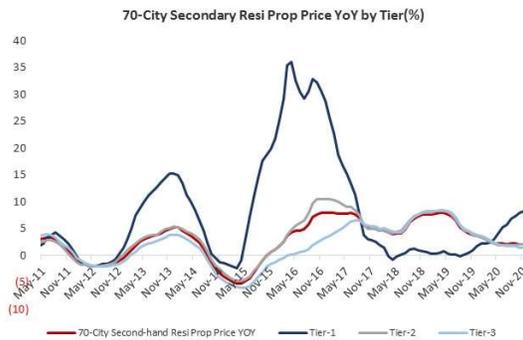
Source: NBS, Wind, AMTD Research

### Secondary Residential Property Prices

For secondary residential property, 70-city prices YoY growth remained flattish at 2.1% in Nov, and Tier-1 cities had the strongest growth of 8.3%. Shenzhen city has the highest YoY growth of 14.6% in Nov, down from 15.5% in Oct, while Mudanjiang city has the lowest YoY growth of -9.5%, further declining from -9.4% in Oct.

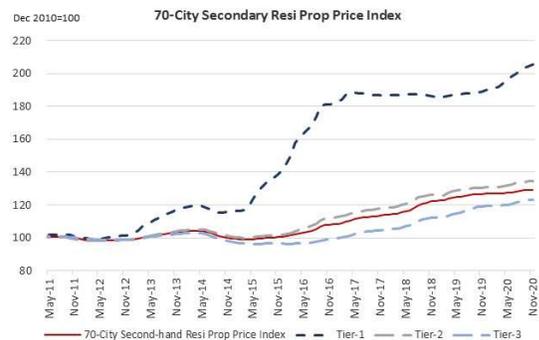
On an MoM basis, 70-city secondary residential property price MoM growth in Nov was 0.1% (Oct: 0.1%), and Tier-1 cities had the strongest growth of 0.5%. Guangzhou city has the highest MoM growth of 0.8% in Nov while Nanchong city has the lowest YoY growth of -0.9%.

**Figure 11: In Nov, 70-city secondary residential property price YoY growth was 2.1% and Tier-1 cities had the strongest growth of 8.3%**



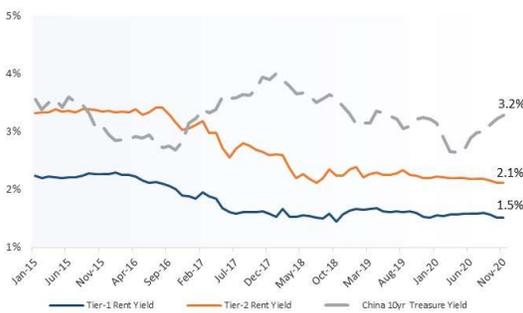
Source: NBS, Wind, AMTD Research

**Figure 12: In Nov, 70-city secondary residential property price MoM growth was 0.1%, stable with Oct**



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 Nov, the average run rate based on 2020 contracted sales target stood at 90.3%, surpassing the level of the same period last year (11M19: ~88.7%). Among Top30 developers (see Figure 14), Evergrande, Jinmao, Greentown, Times China and Yuexiu have beaten their annual contracted sales target and we believe most developers are on track to meet their 2020 targets.

In Nov, contracted sales of Top30 HK-listed developers rose by 17.5% YoY (Oct: 7.2%) and 27 names recorded positive YoY growth. 11M20 contracted sales YoY growth of Top30 HK-listed developers widened to 9.6% from 9.4% in 10M20. 11M20 contracted GFA grew by 13.2% (10M20: 13.2%), implying ASP was down by 3.2% to RMB13,336/sq.m.

**Figure 14: Contracted sales of top 30 HK-listed China property developers rose by 17.5% in Nov and 11M20 contracted sales YoY growth widened to 9.6% from 9.4% in 10M20 (RMB mn).**

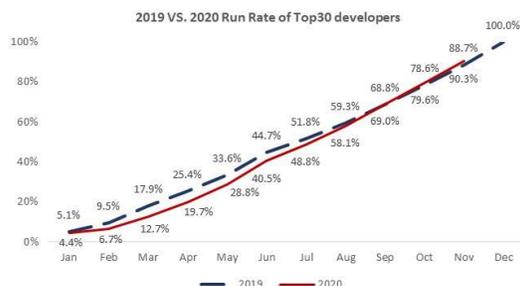
Ticker	Name	11/2020	YoY	1-11M 2020	YoY	2020 Target	YoY	Run Rate
3333 HK	Evergrande	46,070	24%	678,660	17%	650,000	8%	104.4%
2202 HK	Vanke	57,540	6%	602,610	5%	630,840	0%	95.5%
2007 HK	COGARD*	57,140	-5%	557,840	3%	607,422	10%	91.8%
1918 HK	Sunac	69,350	4%	520,450	4%	600,000	8%	86.7%
688 HK	China Overseas	34,828	40%	320,936	-6%	400,000	6%	80.2%
1030 HK	Future Land	29,061	20%	219,908	-11%	250,000	-8%	88.0%
813 HK	Shimao	31,520	3%	262,810	15%	300,000	15%	87.6%
1109 HK	CR Land	28,940	11%	245,988	9%	262,000	8%	93.9%
960 HK	Longfor	28,450	35%	242,800	9%	260,000	7%	93.4%
884 HK	CIFI	25,650	16%	200,020	12%	230,690	15%	86.7%
817 HK	Jinmao	19,980	63%	200,300	35%	200,000	24%	100.2%
3301 HK	Ronshine	18,836	10%	133,668	6%	158,275	12%	84.5%
2777 HK	R&F*	14,600	6%	117,280	-3%	152,000	10%	77.2%
3377 HK	Sino-Ocean	16,100	34%	108,240	-4%	130,000	0%	83.3%
3900 HK	Greentown	29,400	107%	165,800	47%	155,710	15%	106.5%
3383 HK	Agile	11,040	24%	115,820	6%	117,970	0%	98.2%
3883 HK	Aoyuan	15,250	21%	113,760	12%	132,227	12%	86.0%
3380 HK	Logan*	11,670	81%	108,680	28%	115,406	20%	94.2%
1813 HK	KWG	12,261	42%	90,711	18%	103,300	20%	87.8%
1638 HK	Kaisa*	12,530	4%	90,216	20%	100,000	13%	90.2%
1966 HK	SCE	10,217	6%	90,373	28%	93,000	16%	97.2%
2868 HK	BCL	5,490	-37%	60,110	-13%	80,000	-1%	75.1%
1233 HK	Times	12,890	56%	83,591	24%	82,300	5%	101.6%
1628 HK	Yuzhou	10,029	10%	98,613	47%	100,000	33%	98.6%
123 HK	Yuexiu	11,074	42%	84,416	40%	80,200	11%	105.3%
1996 HK	Redsun	9,748	13%	74,253	28%	75,000	15%	99.0%
832 HK	CCRE**	3,040	-47%	55,035	-4%	80,000	11%	68.8%
1238 HK	Powerlong	9,525	99%	71,947	30%	75,000	24%	95.9%
337 HK	Greenland	4,087	59%	31,139	-24%	55,000	14%	56.6%
1777 HK	Fantasia	4,952	21%	43,168	41%	45,000	24%	95.9%
<b>Total</b>		<b>651,268</b>	<b>17.5%</b>	<b>5,789,142</b>	<b>9.6%</b>	<b>6,363,340</b>	<b>8.7%</b>	<b>90.3%</b>

Source: Bloomberg, Company Data, AMTD Research

Note: Nov and 11M20 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 90.3% in Nov**



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 Nov

- CCRE achieved heavy-asset property contracted sales of RMB3,040 mn (YoY -47%);
- Aoyuan achieved property contracted sales of RMB15,250 mn (YoY 21%);
- Powerlong achieved property contracted sales of RMB9,525 mn (YoY 99%);
- Yuzhou achieved property contracted sales of RMB10,029 mn (YoY 10%);
- Redsun achieved property contracted sales of RMB9,748 mn (YoY 13%);
- Lvgem, Minmetals and Dafa did not disclose monthly contracted sales.

#### 11M20 contracted sales

- CCRE achieved heavy-asset property contracted sales of RMB55,035 mn (YoY -4%) and the run rate was 68.8% (2019: 80.0%);
- Aoyuan achieved property contracted sales of RMB113,760 mn (YoY 12%) and the run rate was 86.0% (2019: 85.8%);
- Powerlong achieved property contracted sales of RMB71,947 mn (YoY 30%) and the run rate was 95.9% (2019: 91.6%);
- Yuzhou achieved property contracted sales of RMB98,613 mn (YoY 10%) and the run rate was 98.6% (2019: 89.5%);
- Redsun achieved property contracted sales of RMB74,253 mn (YoY 28%) and the run rate was 99.0% (2019: 89.2%).

**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)**



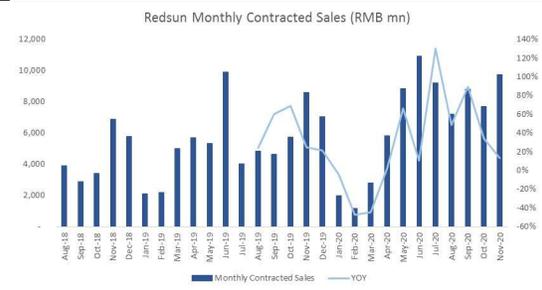
Source: Company Data, AMTD Research

**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 Nov, most HK-listed developers recorded positive YTD contracted sales growth

Company	Ticker	1-11M 2020	2020 Target	2019	2018	2017	2016	2015
Evergrande	3333 HK Equity	16.9%	8.1%	9.0%	10.1%	34.2%	85.4%	53.1%
Vanke	2202 HK Equity	5.1%	0.0%	3.9%	14.5%	45.3%	39.5%	21.5%
COGARD	2007 HK Equity	3.3%	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	60048 CH Equity	10.3%	N/A	14.1%	30.9%	47.2%	36.3%	12.8%
China Overseas	688 HK Equity	-6.5%	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	-10.8%	-7.7%	22.5%	74.8%	94.4%	103.8%	30.3%
Shimao	813 HK Equity	15.4%	15.4%	47.6%	74.8%	47.9%	1.6%	-4.5%
CR Land	1109 HK Equity	8.5%	8.0%	15.1%	64.3%	33.1%	36.0%	28.2%
Longfor	960 HK Equity	9.0%	7.2%	20.9%	28.5%	77.1%	61.6%	11.2%
CIFI	884 HK Equity	12.5%	15.0%	32.0%	46.2%	96.2%	75.4%	42.4%
Gemdale	600383 CH Equity	17.2%	N/A	29.7%	15.3%	113.9%	6.7%	25.8%
Jinmao	817 HK Equity	35.1%	24.4%	28.7%	115.4%	54.8%	34.7%	49.9%
Ronshine	3301 HK Equity	6.0%	12.0%	15.9%	142.6%	103.9%	106.8%	N/A
R&F	2777 HK Equity	-2.6%	10.0%	5.4%	60.1%	34.5%	11.9%	0.0%
Sino-Ocean	3377 HK Equity	-4.4%	0.0%	18.7%	55.2%	40.1%	24.3%	1.0%
Greentown	3900 HK Equity	47.1%	15.0%	33.8%	-2.0%	7.8%	33.2%	-9.4%
Agile	3383 HK Equity	6.1%	0.0%	14.9%	14.4%	69.8%	19.4%	0.2%
Aoyuan	3883 HK Equity	12.3%	12.0%	29.3%	100.2%	78.1%	68.8%	24.1%
Midea	3990 HK Equity	21.3%	N/A	28.1%	55.8%	146.1%	85.6%	N/A
Logan	3380 HK Equity	27.5%	20.2%	33.7%	65.4%	51.2%	40.0%	53.6%
KWG	1813 HK Equity	17.9%	20.0%	31.5%	128.3%	28.6%	10.4%	-1.5%
Kaisa	1638 HK Equity	20.1%	13.5%	25.8%	56.7%	49.8%	222.5%	-60.0%
SCE	1966 HK Equity	28.4%	15.5%	56.7%	54.5%	41.3%	62.1%	21.9%
BCL	2868 HK Equity	-12.7%	-1.0%	14.4%	26.5%	22.7%	40.0%	30.8%
Times	1233 HK Equity	23.6%	5.0%	29.3%	45.6%	41.9%	50.3%	28.3%
Yuzhou	1628 HK Equity	46.7%	33.1%	34.1%	38.9%	73.7%	65.5%	16.8%
Yuexiu	123 HK Equity	40.0%	11.2%	24.8%	41.4%	35.1%	21.7%	12.9%
Redsun	1996 HK Equity	27.8%	15.1%	37.7%	N/A	N/A	N/A	N/A
CCRE	832 HK Equity	-4.2%	11.4%	33.8%	76.5%	51.0%	28.0%	1.2%
Powerlong	1238 HK Equity	30.1%	24.3%	47.1%	96.5%	18.4%	23.3%	36.7%
Greenland	337 HK Equity	-24.2%	13.5%	27.8%	26.0%	65.3%	4.8%	34.5%
Poly Prop	119 HK Equity	25.1%	N/A	20.2%	12.5%	2.6%	24.7%	29.7%
Modern	1107 HK Equity	14.9%	16.0%	14.2%	42.9%	33.9%	46.8%	57.2%
Fantasia	1777 HK Equity	41.5%	24.3%	20.0%	49.6%	65.2%	8.3%	10.3%
Jiayuan	2768 HK Equity	7.7%	24.7%	43.1%	94.6%	N/A	N/A	N/A
Jingrui	1862 HK Equity	6.6%	0.0%	-0.3%	37.4%	9.5%	93.0%	-4.5%
Hopson	754 HK Equity	59.2%	N/A	42.0%	62.3%	13.9%	-18.8%	86.6%
Sunshine 100	2608 HK Equity	28.6%	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	-24.6%	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
<b>Top 30 Developers YoY</b>		<b>9.6%</b>	<b>8.7%</b>	<b>20.1%</b>	<b>31.5%</b>	<b>52.9%</b>	<b>54.8%</b>	<b>18.3%</b>

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

11M20 real estate investment has reached RMB12.9tn, implying a YoY growth of +6.8%. In Nov, real estate investment achieved ~RMB1.3tn with a YoY growth of +10.9%, narrowing from 25-month peak in Oct (+12.7%).

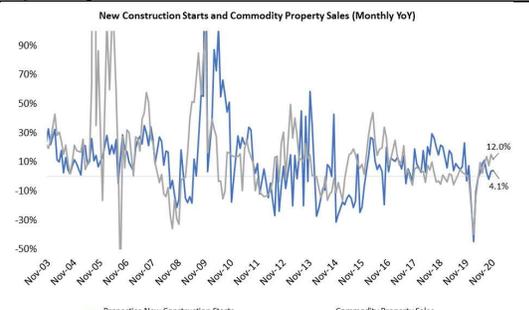
11M20 YoY growth of property under construction stood at 3.2%, slight widening from 3.0% in 10M20. New construction starts in Nov rose by 4.1%, also expanding from 3.5% in Oct.

**Figure 23: In Nov, real estate investment and property under construction increased by 10.9% and 3.2% respectively**



Source: NBS, Wind, AMTD Research

**Figure 24: New construction starts in Nov increased by 4.1%, expanding from 3.5% in Oct**



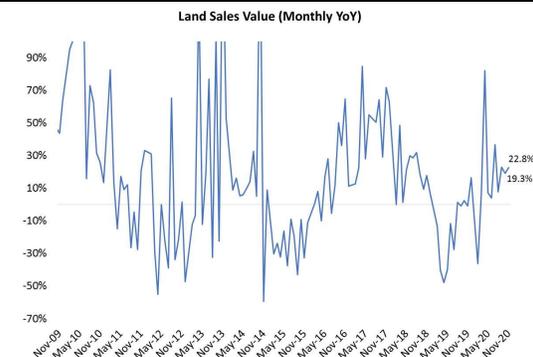
Source: NBS, Wind, AMTD Research

## Land Market

In Nov, national land sales value recorded ~RMB250bn, implying 11M20 value reached ~RMB1.4tn. Land sales value in Nov remained two-digit growth with a monthly YoY growth of 22.8% from 19.3% in Oct, monthly land sales volume continued to decrease with a YoY growth of -15.6%. Land sales volume lagged behind the level last year with a 11M20 YoY growth of -5.2% and land sales value recorded a YTD YoY growth of +16.1% in 11M20, implying average land cost increased by 22.5% to RMB6,746/sq.m.

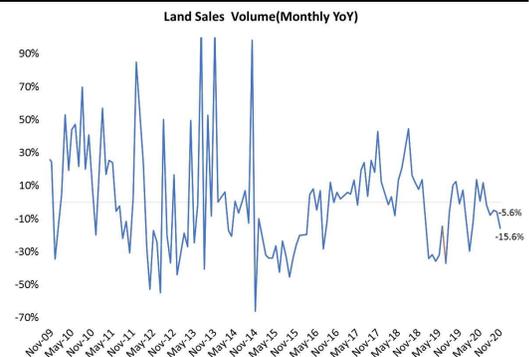
100-city residential land premium rate stood at 19% in Nov, up from 11% in Oct. Tier-1/Tier2/Tier3 cities' premium rate increased to 15%/11%/28% in Nov from 7%/10%/14% in Oct.

**Figure 25: Land sales value in Nov/Oct rose by 22.8%/19.3% YoY**



Source: NBS, Wind, AMTD Research

**Figure 26: Land sales volume in Nov/Oct was down by 15.6%/5.6% YoY**



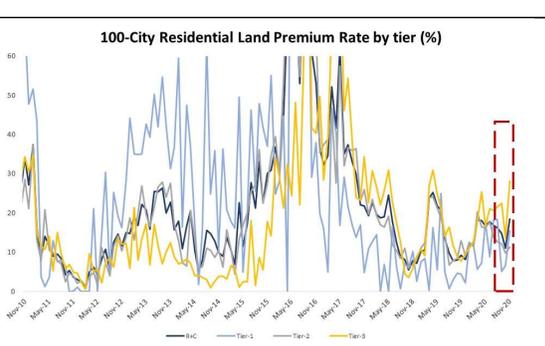
Source: NBS, Wind, AMTD Research

**Figure 27: In Nov, 12M rolling residential land sales value was down by 0.9% MoM; YTD 100-city residential land sales value was up by 16.6% YoY**



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

**Figure 28: In Nov, land premium rate was 19% (Oct: 11%); Tier-1 cities land premium rate was up to 15% from 7% in Oct**



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

## Policy and Macro Backdrop

Policies rolled out in the last two months focus on pre-sale proceeds supervision and local governments intend to monitor pre-sale proceeds strictly and guarantee the completion of pre-sale projects. We believe strengthening regulations on pre-sale proceeds would further weigh on developers' land acquisition and new projects launch.

**Figure 29: Policies announced in the last two months focus on pre-sales proceeds**

Date	Region/Institution	Details
15-Dec-20	Wuxi, Jiangsu	The restrictions on Hukou in the administrative areas of Jiangyin and Yixing will be fully lifted. The restrictions on Hukou for college and vocational college graduates, returnees from overseas study and skilled workers will be fully lifted. The restriction on the floor area of houses to be settled in Jiangsu province will be lifted, as well as the relevant years for participating in urban social insurance.
14-Dec-20	Foshan, Guangdong	The pre-sale proceeds of commercial housing shall be deposited into the supervision account, and the pre-sale proceeds shall be used to ensure the completion of the projects in priority.
10-Dec-20	Ningbo, Jiangsu	If a resident family that has already settled the corresponding loan in the sixth district of the city buys another house and applies for a commercial personal housing loan, the down payment of the loan shall not be less than 40%; (2) For a resident family that has already owned one house in the sixth district of the city and has not settled the corresponding loan, the down payment of the loan shall not be less than 60% if it buys another house and applies for a commercial personal housing loan.
8-Dec-20	Chengdu, Sichuan	The pre-sale proceeds shall all be directly deposited into the supervision account agreed in the pre-sale contract of the commercial housing, and the development enterprise shall not collect the proceeds of the house purchase in any other form.
8-Dec-20	Tangshan, Hebei	Tangshan asks for comments on strengthening the supervision of commercial housing pre-sale proceeds and intends to prohibit development enterprises from directly collecting and depositing housing purchase proceeds.
4-Dec-20	Heilongjiang	If a worker pays in the housing accumulation fund at the place of employment and buys housing for himself in the place of Hukou location, he may apply for a personal housing loan of the housing accumulation fund management center at the place of Hukou location by presenting the deposit certificate issued by the housing accumulation fund management center at the place of employment.
2-Dec-20	Kunming, Yunnan	All pre-sale proceeds of commodity housing projects shall be deposited into supervisory accounts. Before the project is completed, pre-sale proceeds can only be used to pay the project's construction costs and other relevant expenses. Real estate development enterprises can withdraw 5% of the pre-sale proceeds for office and management expenses.
1-Dec-20	Xi'an, Shaanxi	The supervision of pre-sale proceeds should be strengthened. Commercial banks in charge of housing loans should transfer the full amount of loan funds to the supervision account of pre-sale proceeds, and it is strictly prohibited to retain or transfer the proceeds to other accounts of development enterprises without permission.
26-Nov-20	Zhuhai, Guangdong	Zhuhai relaxed the educational background and age requirements for household registration.
23-Nov-20	Jiangxi	Jiangxi issued new regulations on the supervision of commercial housing pre-sale proceeds to clarify the scope of supervision, time limit, quota and so on.
19-Nov-20	Suzhou, Jiangsu	Eligible talents can enjoy the service of one-time preferential housing purchase to buy one housing.
18-Nov-20	Harbin	Encourage housing enterprises to surrender part of profits when selling new-built commercial housing, such as discount promotion and group bargaining.
16-Nov-20	Guangzhou	Land lying idle shall be charged at 20% of the transfer fee per year, and land lying idle for two years may be recovered.
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.

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

## Recent Announcements of AMTD Coverage

### Central China Real Estate (832 HK)

(17 Nov) Issuance of US\$300 million 7.75% senior notes due 2024

### Aoyuan Healthy Life (3662 HK)

(10 Dec) Guangzhou Ao Intelligent Property Investment Co. Ltd. (廣州奧智慧物業投資有限公司), an indirect wholly-owned subsidiary of the Company, has conditionally agreed to acquire the entire share capital in Beijing Boan Property Management Co., Ltd. (北京博安物業服務有限公司) at the consideration with a maximum amount of RMB87mn in cash. Beijing Boan recorded RMB76.5mn of revenue and RMB15.5mn of net profit after taxation in 2019.

(30 Nov) Termination of major transaction in relation to acquisition of target interest in Zhejiang Liantianmei Corporate Management Company Limited.

### Far East (35 HK)

(26 Nov) The Company announced 1HFY2021 interim results. (AMTD Report: [Emerging from the Eye of the Storm, Maintain Buy](#)).

### New World Development (17 HK)

(9 Dec) NWD Finance (BVI) Limited issued U.S.\$700,000,000 Guaranteed Senior Perpetual Capital Securities guaranteed by the Company.

### Redsun (1996 HK)

(22 Nov) The board of directors of Redsun Properties Group Limited announces that Mr. Zhang Liang has tendered his resignation as a non-executive Director and a member of the remuneration committee of the Board with effect from 22 November 2020 in order to devote more time to his personal commitments.

### Yuzhou (1628 HK)

(13 Dec) The Company proposes to spin-off and separately list the shares of U Life Services, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering of the new U Life Services Shares, including the preferential offering. As at the date of this announcement, the Company indirectly holds the entire issued share capital of U Life Services. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will not retain any interest in the issued share capital of U Life Services and U Life Services will no longer remain as a subsidiary of the Company.

### LVGEM (95 HK)

(18 Nov) Extension of the 5.5% convertible bonds due 2020 to 18 May 2022. The aggregate principal amount of the Convertible Bonds was US\$100 million (equivalent to approximately HK\$776 million). As of the date of this announcement, (i) US\$10 million (equivalent to approximately HK\$77.6 million) of the principal amount of the Convertible Bonds has been converted into 28,794,063 Issued Conversion Shares, and (ii) US\$20,000,000 of the outstanding principal amount of the Convertible Bonds was redeemed by the Company on 18 November 2020, being the maturity date of the

Convertible Bonds prior to its extension pursuant to the 2020 Deed of Extension. Assuming full conversion of the remaining outstanding principal amount of the Convertible Bonds (i.e. US\$70 million) at the conversion price of HK\$2.505 per Conversion Share, the Convertible Bonds will be convertible into 216,846,307 new Shares. The Conversion Shares, if issued, would represent approximately 4.25% of the existing issued share capital of the Company and approximately 4.08% of the issued share capital of the Company as enlarged by the issue of all the Conversion Shares.

**Dafa (6111 HK)**

**(11 Dec)** Issuance of additional US\$80,000,000 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 on 30 July 2020 and the US\$130,000,000 12.375% senior notes due 2022 issued on 21 October 2020).

**Minmetals (230 HK)**

**(14 Dec)** On 14 December 2020, 23rd Metallurgical (an indirect non-wholly owned subsidiary of China Minmetals), Minmetals Land C&E (an indirect wholly-owned subsidiary of the Company), Condo Shanghai (an indirect non-owned subsidiary of the Company) and the Company entered into the Equity Transfer Agreement pursuant to which Minmetals Land C&E agreed to sell, and 23rd Metallurgical agreed to purchase, the entire equity interest in Condo Shanghai at the consideration of RMB4,288,500 (equivalent to approximately HK\$4,945,069).

## Offshore Fund Raising

In Nov, there were 18 offshore bond issuances announced by major listed China developers and funded total USD4,035mn with a simple average coupon of 8.248%.

As of 15 Dec 2020, 6 bond issuances have already been announced by major listed China developers in Dec and funded total USD1,530mn with a simple average coupon of 7.363%.

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

Announcement Date	Ticker	Developer	Type	Due Date	Coupon (%)	Currency	Amount (m)
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	Pow erlong	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
5-Nov-20	1589.HK	ONLP	Bond	2022	8.750%	USD	150
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
11-Nov-20	3883.HK	China Aoyuan	Bond	2025	5.980%	USD	230
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
12-Nov-20	6158.HK	Zhenro	Bond	2021	5.950%	USD	200
17-Nov-20	0832.HK	CCRE	Bond	2024	7.750%	USD	300
17-Nov-20	1862.HK	Jingrui	Bond	2023	14.500%	USD	240
19-Nov-20	1589.HK	ONLP	Bond	2025	6.950%	HKD	775
25-Nov-20	6968.HK	Ganglong	Bond	2021	13.500%	USD	150
25-Nov-20	2772.HK	ZL	Bond	2021	8.875%	USD	50
26-Nov-20	2019.HK	Dexin	Bond	2022	9.950%	USD	200
30-Nov-20	2772.HK	ZL	Bond	2021	8.875%	USD	100
1-Dec-20	1638.HK	Kaisa	Bond	2021	6.500%	USD	250
4-Dec-20	3301.HK	Roshine	Bond	2021	5.250%	USD	150
7-Dec-20	3380.HK	Logan	Bond	2026	4.850%	USD	300
9-Dec-20	600466.SH	Languang	Bond	2023	10.400%	USD	300
11-Dec-20	6111.HK	Dafa	Bond	2022	12.375%	USD	80
15-Dec-20	601155.SH	Seazen Holdings	Bond	2024	4.800%	USD	450

Source: Wind, HKEx, AMTD Research

Notes: As of 15 Dec 2020

## Equity Fund Raising

In December, Longfor and CG Services announced equity placement successively. Longfor raised ~HK\$4.7bn of gross proceeds with a placing price discount of 7.48%, and the 100mn placing shares accounts for 1.65% of the total enlarged issued shares. The proceeds are intended to be used for general working capital of the group.

CG Services raised ~HK\$7.8bn of gross proceeds with a placing price discount of 9.46%, and the 173mn placing shares accounts for 5.90% of the total enlarged issued shares. The proceeds are intended to be used for potential future mergers and acquisitions, strategic investments, working capital and general corporate purposes.

**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
<b>China Developers</b>							
1862 HK	Jingrui	3-Dec-20	305	2.20	5.26%	139	9.0%
960 HK	Longfor	2-Dec-20	4,700	47.00	7.48%	100	1.7%
185 HK	Zensun	24-Nov-20	702	0.46	4.17%	1,526	11.7%
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%
<b>Property Management</b>							
6098 HK	CG Services	11-Dec-20	7,785	45.00	9.46%	173	5.9%
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 15 Dec 2020

### Initial Public Offering

In November, there were 4 IPOs with total gross proceeds of HK\$19.6bn, including 2 developers and 2 property services companies. As of 15th Dec, there have been 4 IPOs in Dec with total gross proceeds of HK\$29bn, including 2 developers and 2 property services companies, and Sino-Ocean Services (6677 HK, NR) will be listed on 17th Dec.

**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)
<b>China Developers</b>								
2117.HK	Datang	11-Dec-20	7.3x	0.66%	1,520	4.56	333	333
6999.HK	Leading	10-Dec-20	8.9x	0.00%	1,423	5.69	250	250
2599.HK	Shinsun	18-Nov-20	6.2x	0.00%	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
<b>Property Management</b>								
6677.HK	Sino-Ocean Services	17-Dec-20	NA	NA	NA	NA	NA	296
1209.HK	China Res Mixc	9-Dec-20	114.3x	25.56%	12,265	22.30	550	550
6666.HK	Evergrande Services	2-Dec-20	86.9x	-0.23%	14,270	8.80	1,622	1,622
1516.HK	Sunac Services	19-Nov-20	113.4x	21.90%	9,205	11.60	794	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

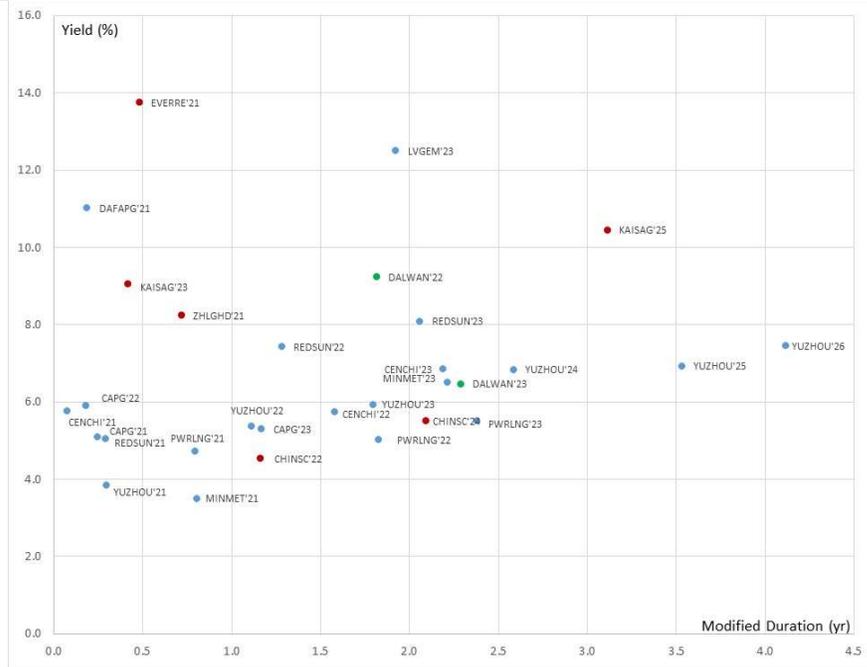
Source: Wind, HKEx, AMTD Research

Note: As of 15 Dec 2020

**Relative Value of Offshore Bonds**

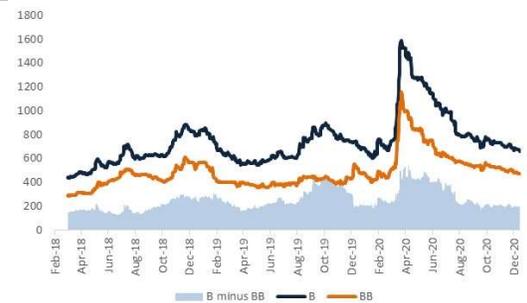
Offshore bonds market has normalized since April amid the US dollar easing monetary environment. Average yield to maturity of 10-year US Treasury and 12-Month US Treasury was 0.86% and 0.11% in Nov, compared with 0.78% and 0.12% in Oct. For offshore HY bonds in China Property sector, the z-spread difference between B and BB rating hovered at ~200bps in Nov.

**Figure 33: Relative Value of Bonds issued by AMTD coverage companies as at 15 Dec 2020**



Source: Bloomberg, AMTD Research  
 Notes: Blue denotes bonds issued by AMTD Coverage; Green denotes BB rating bonds; Red denotes B rating bonds; As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
 Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
 Notes: As of 15 Dec 2020

**Bond Performance of AMTD Coverage**

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



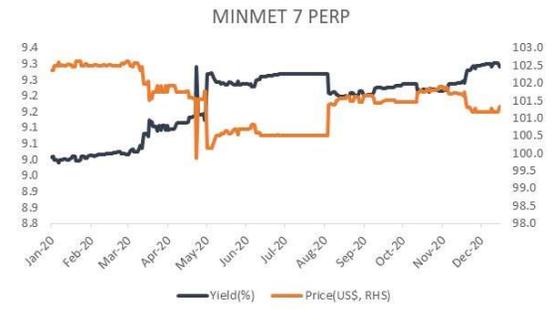
Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



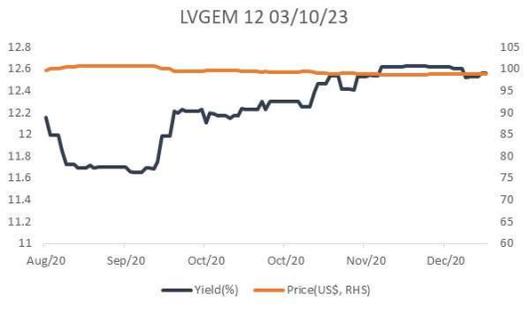
Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

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



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

## Valuation

### China Property Developers

China Property Developers are trading at 5.1x 2020E P/E and 0.8x 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 5.6x P/E, ~1.40 SD below 3-year historical mean, and 1.2x P/B, ~1.52 SD below 3-year historical mean.

Our top pick Powerlong (1238 HK) is at valuation of 4.9x 20E P/E and its commercial peers Longfor and CR Land are trading at 11.9x/8.2x 20E P/E, thus we believe Powerlong has potential re-rating opportunity with continuous recurring revenue stream from shopping malls.

Figure 44: China Property Developers: Peers Valuation comparison

Date	15/12/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
				FY19	FY20E	FY21E	FY19	FY20E	FY21E	
Ticker	Name(EN)	(HK\$)	(USD mn)							FY19
<b>China Property Developers</b>										
2202 HK	Vanke	26.40	48,856	7.0x	6.3x	5.6x	1.4x	1.2x	1.1x	4.5%
960 HK	Longfor	42.70	33,369	14.5x	11.9x	10.2x	2.4x	2.2x	1.9x	3.2%
1109 HK	CR Land	31.15	28,653	6.8x	8.2x	7.0x	1.2x	1.0x	0.9x	3.9%
2007 HK	Country Garden	10.02	28,481	4.9x	4.6x	4.0x	1.3x	1.1x	0.9x	6.5%
3333 HK	Evergrande	15.32	26,336	10.6x	6.4x	5.6x	1.3x	1.1x	1.0x	4.8%
688 HK	COLI	17.52	24,758	4.2x	4.6x	4.0x	0.6x	0.6x	0.5x	6.0%
1918 HK	Sunac	28.15	16,926	5.3x	3.9x	3.3x	1.4x	1.1x	0.8x	5.0%
813 HK	Shimao	24.60	11,226	6.7x	6.0x	5.1x	1.1x	1.0x	0.9x	6.7%
3380 HK	Logan	11.62	8,274	5.7x	4.6x	3.8x	1.8x	1.4x	1.1x	8.1%
884 HK	CIFI	6.03	6,394	7.6x	5.2x	4.3x	1.4x	1.1x	0.9x	5.8%
1030 HK	Seazen	6.46	5,175	5.1x	4.2x	3.6x	1.4x	1.0x	0.9x	5.4%
3383 HK	Agile	10.18	5,144	5.3x	4.3x	4.0x	0.8x	0.6x	0.6x	10.3%
2777 HK	R&F	9.99	4,835	3.0x	3.2x	2.8x	0.4x	0.4x	0.3x	14.5%
1813 HK	KWG	9.89	4,057	3.1x	4.4x	3.6x	0.8x	0.7x	0.6x	8.5%
3900 HK	Greentown	11.90	3,828	10.0x	10.1x	8.8x	0.8x	0.8x	0.8x	2.9%
123 HK	Yuexiu	1.55	3,095	5.7x	5.2x	4.5x	0.5x	0.5x	0.5x	6.7%
1638 HK	Kaisa	3.79	2,998	8.1x	3.8x	3.0x	0.8x	0.7x	0.6x	3.0%
1238 HK	Powerlong*	5.29	2,827	7.2x	4.9x	3.9x	0.6x	0.6x	0.5x	7.8%
3990 HK	Midea RE	17.26	2,740	4.7x	3.8x	3.1x	1.0x	0.8x	0.7x	10.5%
1233 HK	Times	10.36	2,595	3.3x	3.1x	2.6x	0.9x	0.8x	0.6x	9.2%
3883 HK	Aoyuan*	7.38	2,573	4.3x	2.8x	2.5x	1.2x	0.9x	0.8x	8.3%
6158 HK	Zhenro	4.56	2,569	7.0x	6.5x	5.2x	1.1x	0.9x	0.8x	2.5%
2772 HK	Zhongliang	4.90	2,264	3.7x	3.4x	2.8x	1.8x	1.3x	1.0x	20.2%
1628 HK	Yuzhou*	2.78	2,042	3.6x	3.5x	2.4x	0.6x	0.5x	0.5x	14.8%
1966 HK	China SCE	3.22	1,754	4.0x	3.6x	2.9x	0.7x	0.6x	0.5x	7.5%
95 HK	Lvgem*	2.36	1,551	8.6x	6.4x	6.1x	0.8x	0.7x	0.7x	2.6%
832 HK	CCRE*	3.72	1,359	4.7x	3.7x	2.6x	0.9x	0.8x	0.7x	12.7%
3301 HK	Ronshine	5.27	1,146	2.5x	3.3x	2.3x	0.5x	0.5x	0.4x	6.9%
1996 HK	Redsun*	2.67	1,144	6.4x	4.6x	3.8x	0.6x	0.5x	0.5x	4.6%
272 HK	Shui On Land	1.03	1,071	4.6x	NA	NA	0.2x	0.2x	NA	12.1%
119 HK	Poly Prop	2.25	1,063	2.4x	NA	NA	0.3x	NA	NA	9.3%
2019 HK	Dexin China	2.89	1,007	4.3x	4.0x	3.3x	1.4x	NA	NA	3.1%
1098 HK	Roadking	10.02	969	2.5x	NA	NA	0.4x	NA	NA	11.8%
6111 HK	Dafa*	6.62	707	10.3x	9.7x	9.2x	1.4x	1.3x	1.2x	2.4%
230 HK	Minmetals*	0.88	380	3.6x	4.5x	3.2x	0.3x	0.3x	0.3x	9.1%
<b>Total/Average</b>			<b>292,165</b>	<b>5.7x</b>	<b>5.1x</b>	<b>4.4x</b>	<b>1.0x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>7.5%</b>

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

Note: As of 15 Dec 2020

**Figure 45: HK SAR Developers: Peers Valuation comparison**

Date	15/12/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
				FY20	FY21E	FY22E	FY20	FY21E	FY22E	
Ticker	Name (EN)	(HK\$)	(USD mn)							FY20
<b>HK SAR Property Developers</b>										
16 HK	SHK Properties	104.00	38,874	10.27x	9.71x	9.39x	0.53x	0.51x	0.49x	4.8%
1113 HK	CK Asset	41.80	19,914	8.00x	7.17x	6.68x	0.43x	0.41x	0.39x	3.8%
12 HK	Henderson Land	30.45	19,016	9.91x	10.63x	9.64x	0.45x	0.44x	0.43x	5.9%
17 HK	NWD*	37.00	12,166	11.58x	11.24x	9.37x	0.42x	0.41x	0.40x	5.6%
83 HK	Sino Land	10.66	10,075	16.40x	7.78x	9.32x	0.52x	0.48x	0.46x	5.6%
683 HK	Kerry Properties	20.15	3,786	7.69x	6.79x	6.12x	0.28x	0.28x	0.27x	6.7%
35 HK	Far East*	2.75	847	7.70x	5.87x	4.49x	0.58x	0.58x	0.55x	6.9%
<b>Total/Average</b>				<b>10.22x</b>	<b>8.46x</b>	<b>7.86x</b>	<b>0.46x</b>	<b>0.44x</b>	<b>0.43x</b>	<b>5.6%</b>

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

Note: Apart from SHK (FY ends in June) / NWD (FY ends in June) / Sino (FY ends in June) / FEC (FY ends in March), all other comparable companies' fiscal year end in Dec and their FY20E P/E, P/B and dividend yield are consensus estimates from Bloomberg; As of 15 Dec 2020

**Figure 46: China developers sector is now trading at 5.6x P/E, ~1.40 SD below 3-year historical mean**



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

**Figure 47: China developers is now trading at 1.2x P/B, ~1.52 SD below 3-year historical mean**



Source: Bloomberg, AMTD Research  
Notes: As of 15 Dec 2020

### China Property Management

China Property Management sector is now trading at 30.6x FY20E P/E on simple average and at 24.5x forward 12 months P/E on market-cap-weighted average, ~0.21 SD below 3-year historical mean.

**Figure 48: China Property Management Companies: Peers Valuation comparison**

Date	15/12/2020	Share Price	Mkt cap	P/E			P/B			Div. yield
Ticker	Name(EN)	(HK\$)	(USD mn)	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19
<b>China Property Management</b>										
6098.HK	Country Garden Services	46.90	16,693	67.3x	46.0x	32.5x	21.3x	15.5x	10.4x	0.4%
1209.HK	China Res Mixc	30.95	8,783	NA	81.2x	44.0x	NA	5.3x	4.9x	0.0%
1516.HK	Sunac Services	15.10	5,843	NA	64.7x	33.6x	0.4x	4.6x	4.1x	0.0%
3319.HK	A-Living Services	30.75	5,289	30.1x	21.3x	16.1x	6.0x	4.9x	4.1x	1.7%
9666.HK	Jinke Services	54.75	4,611	NA	48.2x	31.3x	NA	4.9x	4.4x	0.0%
6049.HK	Poly PPT Dev	53.45	3,815	39.5x	37.8x	28.2x	5.1x	4.6x	4.1x	0.6%
2869.HK	Greentown Service	9.05	3,757	48.1x	37.0x	28.6x	8.3x	4.4x	4.0x	0.9%
873.HK	Shimao Services	12.16	3,708	NA	34.6x	21.5x	NA	4.0x	3.4x	0.0%
1995.HK	Eversunshine	15.56	3,353	96.0x	58.6x	38.0x	18.7x	9.7x	8.2x	0.3%
9909.HK	Powerlong CM	24.05	1,998	49.2x	44.7x	30.9x	8.2x	7.2x	6.1x	0.0%
2669.HK	China Overseas PH	4.36	1,849	27.2x	22.9x	17.8x	9.5x	7.6x	5.8x	1.1%
1755.HK	S-Enjoy Services	16.84	1,781	44.6x	28.4x	18.9x	13.4x	9.7x	7.3x	1.2%
3913.HK	KWG Living	5.20	1,353	NA	28.2x	15.8x	NA	2.9x	2.5x	0.0%
9983.HK	CC New Life*	6.60	1,060	NA	16.6x	15.2x	NA	2.8x	2.5x	NA
9928.HK	Times Neighbor	7.24	921	39.8x	27.2x	15.7x	6.6x	4.3x	3.5x	0.5%
9979.HK	Greentown Mgmt	2.82	712	NA	11.8x	10.4x	2.3x	1.4x	1.3x	0.0%
2606.HK	Languang Justbon	30.60	703	8.9x	8.4x	6.4x	2.2x	1.9x	1.5x	4.5%
1778.HK	Colour Life	3.47	651	8.6x	8.1x	7.5x	1.1x	1.0x	0.9x	3.0%
6958.HK	Zhenro Services	3.96	530	NA	17.4x	12.3x	NA	NA	NA	0.0%
3316.HK	Binjiang Services	13.52	482	25.0x	17.6x	14.5x	4.7x	NA	NA	1.9%
3662.HK	Aoyuan Healthy Life*	4.79	449	16.5x	12.3x	8.2x	3.5x	3.0x	2.5x	2.0%
2168.HK	Kaisa Prosperity	18.34	364	13.9x	10.9x	7.9x	3.5x	2.1x	1.8x	2.9%
1971.HK	Redsun Services	4.68	251	NA	19.1x	11.7x	NA	2.5x	2.5x	0.0%
<b>Total/Average</b>			<b>68,956</b>	<b>36.8x</b>	<b>30.6x</b>	<b>20.3x</b>	<b>7.2x</b>	<b>5.0x</b>	<b>4.1x</b>	<b>1.0%</b>

Source: Bloomberg Estimates, \*AMTD Research Estimates for AMTD Coverage Stocks  
Note: As of 15 Dec 2020

**Figure 49: China property management sector is now trading at 24.5x P/E, ~0.21SD below 3-year historical mean**



Source: Bloomberg, AMTD Research  
Notes: Excl. China Res Mixc, Sunac Services and Jinke Services; As of 15 Dec 2020

**Figure 50: China property management sector is now trading at 38.7x P/E, ~2.56SD above 3-year historical mean**



Source: Bloomberg, AMTD Research  
Notes: Incl. China Res Mixc, Sunac Services and Jinke Services; As of 15 Dec 2020

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