

China / Hong Kong Industry Focus

China Property Sector

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DBS Group Research . Equity

29 Apr 2022

Have we seen the worst of the sector's liquidity struggle?

- **Our short-term liquidity test shows 14 of 22 names we track can stay solvent if they have to repay all short-term debts and settle payable changes without any form of refinancing**
- **Further delay in sales recovery from tighter lockdown measures in China may reduce the number of developers that can stay solvent down to 4-8 names on a 20-40% miss in FY22F presales**
- **Stay with defensive plays to ride on potential policy supports and manageable risk profiles**

Don't ignore challenges on the liquidity front. Our short-term liquidity analysis (details on pg.2) indicates that **16 of the 22 developers we track should be able to cover their short-term debt and normal operating expenses** using their deployable cash and operating cash inflows under our base case, or **14 with changes in payables added** to the picture. Aside from the expected SOE names such as **COLI (688 HK), COGO (81 HK), Greentown (3900 HK) and Jinmao (817 HK)**, **Yanlord (YLLG SP)** surprisingly was the only POE in the top five in both cases. While the sector on average can stay solvent for over a year in both scenarios, there are **liquidity challenges for c.1/3 of the names we track**. We believe there are liquidity risks for the sector despite the likelihood of more supporting policies ahead.

Evident impact on sector's liquidity from tougher COVID-19 lockdowns. Our scenario analysis aims to highlight the potential liquidity impact of a delayed recovery in presales led by COVID-19 lockdown measures in China. Our analysis, which **assumes a 20-40% miss in developers' FY22F presales**, showed that without refinancing, liquidity of the developers we track will take evident hits as measured by the average number of months that the sector can remain solvent. There would be a **drop from c.13 months under our base case down to 8-10 months** (4-8 names may remain solvent for >1 year) if developers have to repay ST debt and settle payable changes. **Yanlord, COLI, Greentown and COGO** would take the top spots despite taking a potentially heavier hit than others from a delay in presales recovery.

Stay with defensive names to ride on potential policy support. While we believe more supportive policies are on the way to cushion the impact of a hard landing, sector risks must not be ignored as pointed out in our analysis. In addition, the current COVID-19 lockdowns and sales delays will likely pose additional challenges for developers as we head into the next repayment peak in Jul-Aug. We recommend investors to stay with quality names that are largely unaffected on a liquidity standpoint for supportive policies to come – [COGO \(81 HK\)](#), [COLI \(688 HK\)](#), [Longfor \(960 HK\)](#), [CR Land \(1109 HK\)](#) and [Yuexiu \(123 HK\)](#).

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Recommendation & valuation

	Price HK\$	Target Price HK\$	Rec	Mkt Cap US\$bn	FY22F PE x
COGO (81 HK)	4.44	7.03	BUY	1.9	2.4
China Overseas (688 HK)	24.10	31.89	BUY	33.6	6.3
CR Land (1109 HK)	34.85	50.93	BUY	31.7	7.1
Longfor (960 HK)	38.30	55.56	BUY	29.7	7.8
Yuexiu Property (123 HK)	8.07	10.12	BUY	3.2	4.8

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

Closing price as of 28 Apr 2022



Live more, Bank less

Short-term liquidity analysis

With refinancing channels still shut and slowing presales activities taking a toll following tightened pandemic control measures from the resurgence of COVID-19 infections in more cities within China, we have reassessed developers' liquidity status. We have analysed their ability to settle short-term liabilities on the basis of our short-term debt analysis published last year (i.e. how capable are developers in settling outstanding liabilities and operating expenses incurred under normal operations in the absence of refinancing activities). We have included potential swing factors such as restricted cash (incl. regulated presales proceeds) and payment of payables (to reflect liabilities to contractors and commercial papers) to deepen and refine our analysis.

Our assumptions are as below:

1. **Annual operating expense payments** are approximated via 1) **SG&A cost projections** – estimated using the company's FY22F presales target (or inferred via saleable resources growth target for those without an official FY22 presales target) multiplied by the reported SG&A to presales ratio in FY21; 2) **interest payable (not capitalised) estimates** – approximated by total outstanding debt of the developer with its reported average cost of borrowing in FY21; 3) **construction payments** – per developer's FY22F (or FY21A if FY22F is not provided) estimated construction costs based on operating cashflows; 4) **tax payable** – assuming developers have to pay the same amount of tax as in FY21A; and 5) **unpaid land premium** as at Dec-21.
2. Developers can only deploy free cash at hand (i.e. excl. restricted cash and regulated presales proceeds) to repay **short-term debts** and settle **changes in payables**. Changes in payables in FY22 will be approximated according to the expected FY22F presales growth/decline of the particular developer.
3. We assume developers will recoup cash via **recurring income** (at the same level as FY21A) and **presales proceeds** (inferred from gross presales target or

saleable resource growth target if there is no official target, assuming the same attributable interest level for their landbank as at Dec-21 and at a cash collection rate equivalent to the FY19-21A average, adjusted for the amount withheld by regulators at a rate similar to the level of restricted and regulated cash as at Dec-21.

4. There will be **no land premiums payable** aside from those brought forward from 2021.

Restricted/regulated cash as % of total cash as at Dec-21

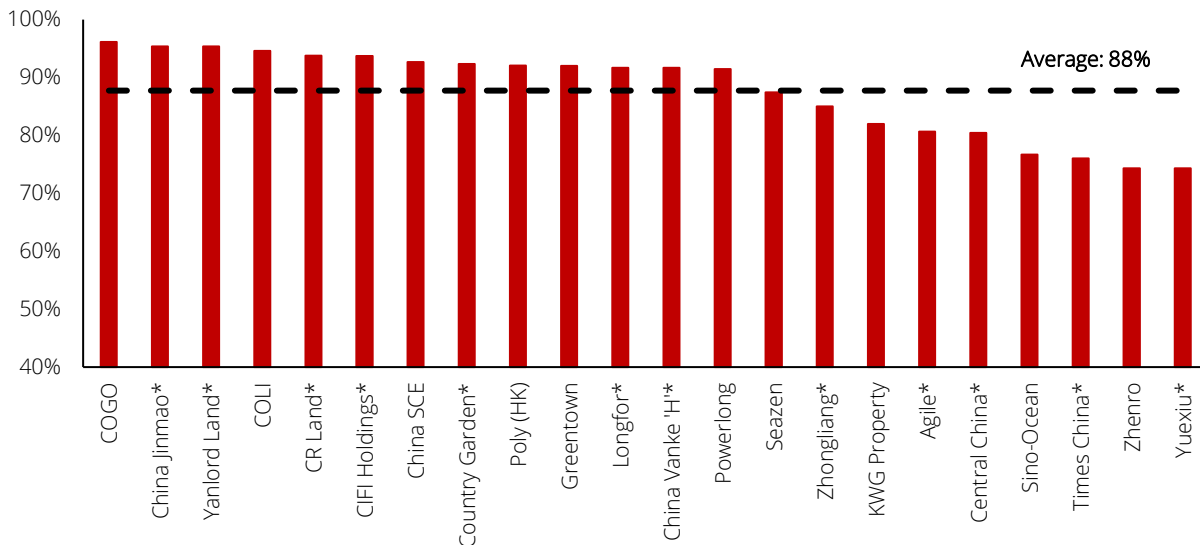
Company	Stock code	Restricted cash as % of total cash	Regulated presales fund as % of total cash
Poly (HK)	119 HK	1%	14%
CR Land*	1109 HK	2%	14%
Seazen	1030 HK	16%	n.a
Yanlord Land*	YLLG SP	1%	18%
Yuexiu*	123 HK	19%	n.a
Greentown	3900 HK	4%	15%
Sino-Ocean	3377 HK	20%	n.a
China Jinmao*	817 HK	22%	n.a
Zhongliang*	2772 HK	26%	n.a
Times China*	1233 HK	29%	n.a
China SCE	1966 HK	22%	10%
COLI	688 HK	18%	18%
Longfor*	960 HK	0%	36%
CIFI Holdings*	884 HK	1%	36%
COGO	81 HK	39%	n.a
Central China*	832 HK	40%	n.a
Agile*	3383 HK	41%	n.a
China Vanke 'H'*	2202 HK	6%	36%
Country Garden*	2007 HK	19%	30%
Zhenro	6158 HK	62%	n.a
Powerlong	1238 HK	23%	44%
KWG Property	1813 HK	74%	n.a

Figures of Agile is unaudited

Those listed "n.a." in the "regulated presales fund % of cash" have already included their regulated presale funds in restricted cash

Source: Companies, DBS HK

3-year average cash collection rates



Note: FY21 figures of Vanke Agile are from their 1H21 cash collection ratios
 Source: Companies, DBS HK

Around c.70% of the developers we track can repay their short-term debts and normal operating expenses in the absence of refinancing in our base case... Our analysis shows that the sector on average should be able to cover short-term debts and operating expenses with deployable cash and operating cash inflows **for 13.9 months without refinancing**. Among the 22 developers we track, 16 would remain solvent after more than one year. As expected, SOEs overall demonstrated strong performance on this metric, with **Jinmao, COLI, Greentown** and **COGO** taking 4 of the top five spots in this case. **Sino-Ocean (3377 HK)** has the weakest liquidity status among SOEs as it barely managed to last for 12 months. Among POEs, **Yanlord (YLLG SP)** surprised on the upside and posted the strongest performance, placing itself comfortably in second place. **KWG (1813 HK)** and **Zhenro (6158 HK)** expectedly came last given their higher-than-peers restricted cash levels and can only maintain liquidity for c.5-6 months. **Powerlong (1238 HK)** and **Central China (832 HK)** are next at c.7-9 months.

No. of times and months developers can repay short-term debts and remain liquid without refinancing

Companies	Stock Code	Deployable cash and operating cash inflow to ST debt and opex ratio	Months that developers can survive without refinancing
China Jinmao*	817 HK	1.7	21.0
Yanlord Land*	YLLG SP	1.7	20.3
COLI	688 HK	1.7	20.3
Greentown	3900 HK	1.6	19.2
COGO	81 HK	1.5	17.6
CIFI Holdings*	884 HK	1.4	17.3
China Vanke 'H'*	2202 HK	1.4	16.9
Poly (HK)	119 HK	1.3	15.7
China SCE	1966 HK	1.3	15.2
Seazen	1030 HK	1.2	14.9
Longfor*	960 HK	1.2	14.9
CR Land*	1109 HK	1.2	14.8
Zhongliang*	2772 HK	1.1	13.4
Yuexiu*	123 HK	1.0	12.5
Times China*	1233 HK	1.0	12.4
Sino-Ocean	3377 HK	1.0	12.1
Agile*	3383 HK	0.9	10.7
Country Garden*	2007 HK	0.8	9.5
Central China*	832 HK	0.7	9.0
Powerlong	1238 HK	0.5	6.6
Zhenro	6158 HK	0.5	5.7
KWG Property	1813 HK	0.4	5.0
Average		1.2	13.9

Source: DBS HK

No. of times and months developers can repay short-term debts, ST payables and remain liquid without refinancing

Companies	Stock Code	Deployable cash and operating cash inflow to ST debt, payables and opex ratio	Months that developers can survive without refinancing
Yanlord Land*	YLLG SP	1.9	23.3
China Jinmao*	817 HK	1.8	21.6
COLI	688 HK	1.8	21.1
Greentown	3900 HK	1.5	18.5
COGO	81 HK	1.5	18.3
Poly (HK)	119 HK	1.4	17.3
CIFI Holdings*	884 HK	1.3	15.8
Seazen	1030 HK	1.3	15.4
Longfor*	960 HK	1.3	15.3
CR Land*	1109 HK	1.2	14.6
China SCE	1966 HK	1.2	14.4
Yuexiu*	123 HK	1.1	13.4
Zhongliang*	2772 HK	1.0	12.4
Sino-Ocean	3377 HK	1.0	12.4
China Vanke 'H'*	2202 HK	0.9	10.9
Times China*	1233 HK	0.8	9.0
Agile*	3383 HK	0.7	8.3
Country Garden*	2007 HK	0.6	7.6
Central China*	832 HK	0.6	7.5
Powerlong	1238 HK	0.5	5.8
KWG Property	1813 HK	0.4	4.9
Zhenro	6158 HK	0.4	4.6
Average		1.1	13.3

Source: Companies, DBS HK

... or around two-thirds if trade payables are included in the equation. Having said that, the situation is a bit more difficult if short term payables are included in the picture. While the sector can on average remain solvent by a largely similar 13.3 months, only 14 (vs 16 before changes in payables are factored in) will be able to remain liquid for over 12 months. Among individual names, ranking is largely similar to that from our first analysis with only ST debts are involved, aside from the exception of **Vanke (2202 HK)** which ranked much lower and can only **stay solvent for 10.9 months given its sizeable outstanding payables.**

What is the impact arising from a halt in presales activities on developers' liquidity?

The results in our above analysis were made under our base case scenario that assumes developers can meet their presales targets (or growth rates inferred from their saleable resources growth targets), most of which were set prior to the recent COVID-19 resurgence in China. We have therefore conducted a sensitivity analysis to assess the impact on developers if their FY22F expected presales are reduced by **20% and 40%**, which in turn represents y-o-y presales declines of 23% and 46% from FY21 presales for the two scenarios, respectively.

Developers' presales growth over the next 9 months to meet targets, or miss targets by 20% and 40%

Company	Stock code	% of presales growth/decline in next 9 mths to meet FY22 target	% of presales growth/decline in next 9 mths to miss FY22 target by 20%	% of presales growth/decline in next 9 mths to miss FY22 target by 40%
Poly (HK)	119 HK	27%	-1%	-29%
Yanlord Land*	YLLG SP	26%	-6%	-38%
COLI	688 HK	25%	-4%	-32%
COGO	81 HK	22%	-6%	-33%
Yuexiu*	123 HK	22%	-6%	-33%
China Jinmao*	817 HK	21%	-7%	-35%
Longfor*	960 HK	16%	-11%	-37%
Sino-Ocean	3377 HK	8%	-16%	-40%
Zhongliang*	2772 HK	7%	-18%	-43%
CR Land*	1109 HK	6%	-19%	-44%
CIFI Holdings*	884 HK	2%	-22%	-45%
Greentown	3900 HK	0%	-24%	-47%
Powerlong	1238 HK	-1%	-24%	-47%
China SCE	1966 HK	-2%	-26%	-50%
Central China*	832 HK	-5%	-27%	-48%
KWG Property	1813 HK	-6%	-28%	-50%
China Vanke 'H'*	2202 HK	-12%	-34%	-57%
Country Garden*	2007 HK	-15%	-37%	-58%
Seazen	1030 HK	-18%	-38%	-58%
Agile*	3383 HK	-26%	-45%	-64%
Times China*	1233 HK	-33%	-50%	-67%
Zhenro	6158 HK	-33%	-49%	-65%
Average		1%	-23%	-46%

Source: Companies, DBS HK

Extended delays in presales activities on further spread of COVID-19 infections in China would pose greater liquidity pressure. Based on the scenario where developers miss their presales targets by 20% and 40%, the sector's liquidity will only be able to last for a lower **12.8 months and 11.5 months on average** when only short-term debt is considered. Of the 22 names we track, **only 13 or 11 of**

them will be able to stay solvent for more than a year under the respective scenarios i.e. 20-40% miss in presales targets. Those that ranked among the top from our original base case like **Jinmao, COLI** and **Yanlord** would take the largest hits on liquidity among the 22 developers in the scenario of a presales miss, whereas the lower-ranked distressed names will take less of an impact. Having said that, the overall ranking among developers remains largely unchanged with those better placed in liquidity to remain within the higher quartile.

Difference in months from our base case that developers can remain solvent after repaying short-term debts and settling operating expenses

Company	Stock code	No. of months to survive if 20% miss	No. of months to survive if 40% miss	Difference vs base in 20% miss	Difference vs base in 40% miss
China Jinmao*	817 HK	18.8	16.4	(2.1)	(4.6)
COLI	688 HK	18.5	16.5	(1.8)	(3.8)
Yanlord Land*	YLLG SP	18.7	16.9	(1.6)	(3.5)
China SCE	1966 HK	13.7	11.9	(1.5)	(3.3)
Greentown	3900 HK	17.7	16.0	(1.5)	(3.1)
COGO	81 HK	16.2	14.6	(1.4)	(3.0)
CIFI Holdings*	884 HK	15.9	14.4	(1.3)	(2.9)
Zhongliang*	2772 HK	12.2	10.8	(1.2)	(2.6)
China Vanke 'H'*	2202 HK	15.8	14.5	(1.1)	(2.4)
Poly (HK)	119 HK	14.6	13.4	(1.1)	(2.3)
Seazen	1030 HK	13.8	12.6	(1.1)	(2.3)
CR Land*	1109 HK	13.8	12.6	(1.0)	(2.2)
Times China*	1233 HK	11.3	10.2	(1.0)	(2.2)
Longfor*	960 HK	13.9	12.7	(1.0)	(2.2)
Yuexiu*	123 HK	11.5	10.4	(1.0)	(2.1)
Sino-Ocean	3377 HK	11.3	10.3	(0.9)	(1.9)
Central China*	832 HK	8.3	7.5	(0.7)	(1.5)
Country Garden*	2007 HK	8.8	8.1	(0.6)	(1.4)
Powerlong	1238 HK	6.0	5.5	(0.5)	(1.1)
Agile*	3383 HK	10.2	9.7	(0.5)	(1.1)
KWG Property	1813 HK	4.6	4.2	(0.4)	(0.8)
Zhenro	6158 HK	5.3	4.9	(0.4)	(0.8)
Average		12.8	11.5	(1.1)	(2.3)

Source: DBS HK

The sector would be hit harder if payables are also taken into consideration, **staying solvent for a mere 10.5 months or 8.2 months on the respective two scenarios** of a 20% and 40% miss in expected FY22F presales, with **only 8 and 4 of the 22 developers being able to remain solvent for more than a year.**

China Property Sector

Difference in months from our base case that developers can remain solvent after repaying short-term debts, settle changes in payables and operating expenses

Company	Stock code	No. of months to survive if 20% miss	No. of months to survive if 40% miss	Difference vs base in 20% miss	Difference vs base in 40% miss
China Jinmao*	817 HK	14.4	9.7	(7.2)	(11.9)
Yanlord Land*	YLLG SP	18.8	14.9	(4.5)	(8.4)
COLI	688 HK	17.2	13.8	(3.8)	(7.3)
Seazen	1030 HK	11.6	8.7	(3.8)	(6.7)
Poly (HK)	119 HK	13.9	11.1	(3.5)	(6.3)
Longfor*	960 HK	12.0	9.3	(3.3)	(6.0)
CIFI Holdings*	884 HK	12.5	9.7	(3.3)	(6.1)
COGO	81 HK	15.1	12.2	(3.2)	(6.1)
Yuexiu*	123 HK	10.2	7.8	(3.2)	(5.6)
China Vanke 'H'*	2202 HK	7.7	5.5	(3.2)	(5.3)
Greentown	3900 HK	15.3	12.4	(3.2)	(6.0)
China SCE	1966 HK	11.7	9.2	(2.7)	(5.1)
Sino-Ocean	3377 HK	9.8	7.6	(2.6)	(4.8)
Zhongliang*	2772 HK	9.9	7.7	(2.5)	(4.7)
CR Land*	1109 HK	12.2	9.9	(2.5)	(4.7)
Central China*	832 HK	5.5	3.9	(2.1)	(3.6)
Times China*	1233 HK	7.3	5.9	(1.7)	(3.2)
Country Garden*	2007 HK	5.9	4.5	(1.7)	(3.1)
Powerlong	1238 HK	4.5	3.5	(1.2)	(2.2)
Agile*	3383 HK	7.1	6.1	(1.2)	(2.3)
KWG Property	1813 HK	4.3	3.7	(0.6)	(1.1)
Zhenro	6158 HK	4.1	3.5	(0.5)	(1.1)
Average		10.5	8.2	(2.8)	(5.1)

Source: Companies, DBS HK

More risks and uncertainty ahead on the liquidity front with refinancing channels still shut. Our short-term liquidity analysis indicated that developers' liquidity struggle remains evident. The risk of halted presales activities is also imminent alongside the tightening pandemic control measures implemented by more cities in China; we have illustrated the impact in our scenario analysis.

Stay with quality names that still enjoy access to refinancing channels. Although we believe more supportive policies are likely on the way to cushion the impact of a hard landing in the sector, we should not ignore the risks as pointed out in our analysis. We recommend investors to be defensive and stay with quality names that are largely unaffected on a liquidity standpoint as we anticipate a wave of supporting policies ahead – our picks are **COGO (81 HK)**, **COLI (688 HK)**, **Longfor (960 HK)**, **CR Land (1109 HK)** and **Yuexiu (123 HK)**.

Valuation comparison

Company Name	Code	28-Apr Price HK\$	3-mth daily trading		12-m Recom target HK\$	EPS gth		PE		Yield		ROE		Net Gearing Dec-21 %	P/Bk 22F x	NAV (Prem) to NAV HK\$	Disc/ to NAV %	
			Mkt Cap US\$bn	value US\$m		22F %	23F %	22F x	23F x	22F %	23F %	22F %	23F %					
Large cap																		
China Overseas*	688 HK	24.10	33.6	91.8	BUY	31.89	(4)	(0)	6.3	6.3	4.7	4.7	9.5	8.9	24.5	0.6	50.7	52.5
CR Land*	1109 HK	34.85	31.7	61.1	BUY	50.93	10	9	7.1	6.5	5.2	5.7	11.8	11.8	24.4	0.8	66.9	47.9
China Vanke 'H'	2202 HK	18.24	32.1	28.0	BUY	34.45	33	0	5.9	5.9	6.0	9.2	11.0	9.5	30.1	0.7	41.1	55.6
Country Garden*	2007 HK	5.28	15.6	55.4	BUY	8.62	(5)	(5)	3.8	4.0	6.9	6.6	12.3	10.7	45.4	0.4	17.1	69.1
Longfor*	960 HK	38.30	29.7	43.1	BUY	55.56	11	10	7.8	7.1	5.8	6.3	18.9	18.7	46.7	1.4	81.4	53.0
Average							9.0	2.7	6.2	6.0	5.7	6.5	12.7	11.9	34.2	0.8		55.6
Mid cap																		
China Jinmao Hldgs*	817 HK	2.47	4.0	9.8	HOLD	3.00	27	11	4.4	4.0	9.0	9.9	10.2	8.1	63.0	0.4	9.0	72.6
CIFI Holdings*	884 HK	3.70	4.1	30.2	BUY	5.09	(13)	3	4.1	3.9	4.5	4.7	15.5	14.2	67.2	0.6	6.2	40.3
Seazen	1030 HK	3.29	2.7	12.3	NR	n.a.	(15)	(0)	2.3	2.3	11.7	12.0	16.3	11.7	49.8	0.3	n.a.	n.a.
Guangzhou R&F	2777 HK	2.88	1.4	6.1	NR	n.a.	n.a.	9	2.4	2.2	9.4	8.8	4.2	1.2	123.3	0.1	n.a.	n.a.
Shenzhen Inv	604 HK	1.66	1.9	1.3	NR	n.a.	n.a.	6	3.4	3.2	11.0	11.0	7.9	8.4	28.2	0.2	n.a.	n.a.
Sino-Ocean Land	3377 HK	1.54	1.5	1.5	NR	n.a.	0	2	3.6	3.5	9.9	11.6	4.5	4.4	85.2	0.2	n.a.	n.a.
Yuexiu Property*	123 HK	8.07	3.2	4.1	BUY	10.12	5	6	4.8	4.5	8.4	8.8	8.8	8.8	47.1	0.4	32.9	75.4
Average							0.8	5.3	3.6	3.4	9.1	9.6	9.6	8.1	66.3	0.3		62.8
Small cap																		
China Merchants Land	978 HK	0.75	0.5	0.2	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.8	n.a.	65.3	n.a.	n.a.	n.a.
China SCE	1966 HK	1.36	0.7	1.6	NR	n.a.	11	8	1.4	1.3	18.1	19.6	13.2	11.8	70.7	0.2	n.a.	n.a.
COGO*	81 HK	4.44	1.9	3.8	BUY	7.03	7	3	2.4	2.3	8.3	8.5	17.1	15.3	35.6	0.4	16.8	73.6
Gemdale Props	535 HK	0.82	1.7	2.5	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54.2	n.a.	n.a.	n.a.
Greenland	337 HK	1.59	0.6	0.8	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	59.6	0.5	n.a.	n.a.
Greentown	3900 HK	13.90	4.4	15.4	NR	n.a.	44	19	6.2	5.2	4.9	5.9	12.6	12.7	52.0	0.7	n.a.	n.a.
Hopson Dev	754 HK	14.82	4.5	5.9	NR	n.a.	28	2	3.1	3.1	7.7	7.9	8.7	n.a.	69.8	0.6	n.a.	n.a.
Joy City	207 HK	0.29	0.5	0.3	NR	n.a.	57	31	4.0	3.0	5.4	n.a.	n.a.	n.a.	89.3	n.a.	n.a.	n.a.
LVGEM*	95 HK	1.03	0.7	2.4	BUY	2.74	n.a.	n.a.	n.a.	14.6	0.0	0.0	(2.9)	1.2	72.8	0.2	10.3	90.0
Minmetals Land	230 HK	0.75	0.3	0.0	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	68.6	n.a.	n.a.	n.a.
Poly (Hong Kong)	119 HK	1.92	0.9	1.5	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	102.7	n.a.	n.a.	n.a.
Powerlong	1238 HK	2.36	1.2	4.5	NR	n.a.	(20)	7	1.7	1.6	20.6	20.7	10.3	7.8	88.1	0.4	n.a.	n.a.
Road King	1098 HK	6.39	0.6	0.2	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	149.3	n.a.	n.a.	n.a.
Ronshine China	3301 HK	2.19	0.5	1.0	NR	n.a.	(42)	2	4.1	4.0	8.1	8.3	4.1	n.a.	66.4	n.a.	n.a.	n.a.
Shui On Land	272 HK	1.13	1.2	1.1	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	45.3	n.a.	n.a.	n.a.
Yanlord Land*^	YLLG SP	1.22	1.7	1.5	BUY	1.43	6	5	4.3	4.1	5.7	5.7	7.4	7.3	48.4	0.3	3.3	63.1
Zhenro Properties	6158 HK	0.62	0.3	14.1	NR	n.a.	207	(60)	0.9	2.3	17.4	n.a.	4.4	3.6	159.4	0.1	n.a.	n.a.
Zhong An	672 HK	0.305	0.2	0.0	NR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	77.5	n.a.	n.a.	n.a.
Average#							30.6	2.3	3.0	3.9	11.1	11.6	8.2	8.3	74.2	0.4		79.3
Average (Overall)#							18.2	3.2	4.0	4.3	8.6	8.8	9.8	9.3	67.0	0.5		63.0~

^ Denominated in SGD for price

~ Simple average discount to NAV; Market cap weighted average NAV = 58%

Exclude outliers ~ Gross Gearing

^^ FY22: FY23; FY23: FY24

Source: Thomson Reuters, *DBS HK

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

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

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

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

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

*Share price appreciation + dividends

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