

# China / Hong Kong Industry Focus

## China Property Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity

6 May 2022

### Is RMB depreciation a concern?

- **Impact of FX losses from RMB depreciation on short-term liquidity and balance sheet will affect cashflows but should be manageable**
- **Sector valuation becomes less attractive after reflecting FX and translation losses**
- **Top picks: [COGO \(81 HK\)](#), [COLI \(688 HK\)](#), [Longfor \(960 HK\)](#), [CR land \(1109 HK\)](#), [Yuexiu \(123 HK\)](#)**

**An unusual year where FX loss from RMB depreciation may not be non-cash.** In the absence of offshore refinancing channels, developers will have to settle their offshore non-Rmb bonds with internal RMB cash. As such, FX loss from maturing bonds is no longer non-cash and will weigh on developers' repayment capability. Thus, we conducted a RMB sensitivity analysis to assess the impact of a 5-15% RMB depreciation (USDCNY=6.6-7.3) by Dec-22 on developers' liquidity and balance sheet.

**Substantial FX losses on the way, but impact on ST liquidity and balance sheet should be manageable.** Our analysis indicates there could be total FX losses amounting to c.3-9% of developers' FY22F book value, or c.32-95% of FY22F core earnings. Assuming such FX losses are recognised according to developers' respective ST debt to total debt ratios, a 5-15% RMB depreciation should be manageable with **adj. cash to ST debt ratio** (ex-restricted cash and regulated presales proceeds) falling from 1.38x to 1.31x. Net gearing ratio would pick up by 3-12ppts along the way. **CCRE (832 HK)**, **Agile (3383 HK)**, **KWG (1813 HK)** and **China SCE (1966 HK)** would be the four most impacted names in these regards, whereas SOEs of **COLI (688 HK)**, **Longfor (960 HK)**, **CR Land (1109 HK)** and **Yuexiu (123 HK)** that are considered highly sensitive to RMB movements by the market will in fact be least affected.

**Valuation will be less attractive.** Coupled with translation losses, the sector's FY22F PE would rise from c.3.8x currently to 4.0x-4.5x for the names we track (vs 5-year average of 5.6x), along with a higher forward PB from the current 0.42x to 0.45-0.51x (vs c.0.6x when sector yielded similar core ROE of c.11% in 2016). This points to less attractive valuations both on a PE and PB standpoint. **Agile, Jinmao (817 HK)** and **CCRE** should see the largest impact on a PE perspective, while **CCRE, CIFI (884 HK)** and **China SCE** would take the largest hits on a forward PB basis.

**Stay with defensive names to ride on potential policy support.** Our analysis indicates that potential impact of a RMB depreciation on fundamentals should be manageable, but its impact on valuations should not be overlooked. We recommend investors to stay with quality names that are less affected on both a liquidity standpoint and RMB depreciation for supportive policies ahead – **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
<a href="#">COGO (81 HK)</a>	4.39	7.03	BUY	1.9	2.4
<a href="#">China Overseas (688 HK)</a>	24.65	31.89	BUY	34.4	6.6
<a href="#">CR Land (1109 HK)</a>	34.65	50.93	BUY	31.5	7.2
<a href="#">Longfor (960 HK)</a>	38.25	55.56	BUY	29.6	7.9
<a href="#">Yuexiu Property (123 HK)</a>	8.03	10.12	BUY	3.2	4.8

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

Closing price as of 5 May 2022



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**Non-Rmb debt exposure of individual developers.** Despite a largely closed refinancing window since 4Q21, the absolute value of non-Rmb bonds in the sector was flat y-o-y, with shortfalls from POEs (-4% on average) fully offset by an increase from SOEs (+7% on average). Non-Rmb bond exposure slightly dropped from 37.0% as at Dec-20 to 36.6% as at Dec-21, mainly led by lower balances from SOEs as they had better access to onshore funding and an improving liquidity environment since 4Q21 (proportion dropped from 32.9% as at Dec-20 to 31.6% as at Dec-21). Proportion of non-Rmb debt for POEs was flat at 39.8% despite them recording a drop in absolute amount during the year, as the onshore refinancing window was closed as well.

Company	Stock Code	% of non-rmb debt			Non-rmb debt (LCL m)			y-o-y change	
		Dec-19	Dec-20	Dec-21	Dec-19	Dec-20	Dec-21	Dec-20 vs Dec-19	Dec-21 vs Dec-20
Central China	832 HK	57.1%	65.3%	70.5%	17,981	20,441	15,468	14%	-24%
Yanlord Land	YLLG SP	60.2%	55.1%	49.4%	27,554	23,628	21,261	-14%	-10%
Agile	3383 HK	44.0%	42.5%	45.7%	42,535	41,570	38,330	-2%	-8%
China SCE	1966 HK	48.1%	46.5%	44.2%	20,254	21,652	22,188	7%	2%
CIFI Holdings	884 HK	40.0%	44.0%	43.0%	41,479	46,075	49,068	11%	6%
KWG Property	1813 HK	35.0%	39.0%	42.7%	29,952	30,366	32,749	1%	8%
COLI	688 HK	52.8%	46.5%	39.9%	100,301	99,036	96,527	-1%	-3%
Times China	1233 HK	46.0%	40.0%	39.0%	24,500	24,604	21,140	0%	-14%
Country Garden	2007 HK	33.0%	39.0%	39.0%	121,969	127,329	123,990	4%	-3%
China Jinma	817 HK	33.2%	35.7%	38.0%	31,846	34,865	40,692	9%	17%
COGO	81 HK	48.1%	40.8%	38.0%	14,795	16,509	17,184	12%	4%
Powerlong	1238 HK	34.9%	32.5%	31.7%	19,287	21,634	23,128	12%	7%
CR Land	1109 HK	26.0%	27.0%	31.0%	34,982	44,546	55,792	27%	25%
Longfor	960 HK	26.0%	29.0%	28.0%	37,960	48,536	53,779	28%	11%
Yuexiu	123 HK	30.0%	28.0%	28.0%	21,306	18,995	21,150	-11%	11%
Seazen	1030 HK	28.1%	24.4%	23.1%	24,685	25,526	24,116	3%	-6%
Zhongliang	2772 HK	10.0%	20.0%	22.7%	4,018	10,818	9,065	169%	-16%
China Vanke 'H'	2202 HK	20.8%	21.5%	19.9%	53,981	55,589	53,342	3%	-4%
Greentown	3900 HK	19.8%	16.7%	16.2%	18,924	19,907	20,648	5%	4%
<b>Average</b>		<b>37.0%</b>	<b>37.0%</b>	<b>36.6%</b>				<b>14%</b>	<b>0%</b>

Source: Companies, DBS HK

## China Property Sector

**Estimated total FX loss as % of shareholder equity.** After factoring in the currency exposure hedges of individual developers, total FX gain/loss arising from RMB movements will come from 1) gain/loss from a change in principal amount of outstanding non-Rmb debts; 2) increase/decrease in interest payable in RMB terms; and 3) increase/decrease in perp distribution in RMB terms (if any). From our analysis, FX loss arising from a 5-15% RMB depreciation would amount to a meaningful 3-9% of developers FY22F shareholders equity. Of the names we track, CCRE as expected came first with estimated total FX loss at 9-26% of its FY22F shareholders equity, given that it has the highest exposure to non-Rmb debt as illustrated in our chart on page 2. Times China and CIFI took second and third place, led by their relatively lower shareholder equity base arising from a larger number of cooperating projects at hand (thus higher than peers' minority interests). The ratio is the lowest for Vanke and Longfor, thanks to their relatively lower non-Rmb exposure as well as currency hedges on hand.

Company	Stock Code	Total FX loss as % of SH equity					
		on FY21A SH equity			on FY22F SH equity		
		5% depr.	10% depr.	15% depr.	5% depr.	10% depr.	15% depr.
Central China	832 HK	8.9%	17.8%	26.7%	8.5%	17.0%	25.5%
Times China	1233 HK	5.8%	11.7%	17.5%	4.5%	9.1%	13.6%
CIFI Holdings	884 HK	5.8%	11.7%	17.5%	5.0%	10.1%	15.1%
China SCE	1966 HK	5.5%	10.9%	16.4%	4.9%	9.8%	14.7%
China Jinmao	817 HK	4.2%	8.4%	12.6%	3.6%	7.1%	10.7%
Zhongliang	2772 HK	4.2%	8.3%	12.5%	3.4%	6.8%	10.2%
KWG Property	1813 HK	4.0%	7.9%	11.9%	3.7%	7.4%	11.1%
Agile	3383 HK	3.9%	7.7%	11.6%	3.0%	6.0%	9.0%
Greentown	3900 HK	3.2%	6.4%	9.5%	2.9%	5.8%	8.6%
COGO	81 HK	3.1%	6.1%	9.2%	2.6%	5.1%	7.7%
Seazen	1030 HK	3.0%	6.1%	9.1%	2.5%	5.0%	7.4%
Powerlong	1238 HK	3.0%	6.1%	9.1%	2.7%	5.5%	8.2%
Yanlord Land	YLLG SP	2.4%	4.7%	7.1%	2.2%	4.5%	6.7%
Country Garden	2007 HK	2.1%	4.3%	6.4%	1.9%	3.9%	5.8%
Yuexiu	123 HK	1.5%	3.0%	4.5%	1.4%	2.8%	4.2%
COLI	688 HK	1.4%	2.9%	4.3%	1.3%	2.6%	3.9%
CR Land	1109 HK	1.2%	2.4%	3.5%	1.1%	2.2%	3.2%
Longfor	960 HK	1.1%	2.2%	3.4%	1.0%	2.0%	3.0%
China Vanke 'H'	2202 HK	0.9%	1.8%	2.7%	0.8%	1.7%	2.5%
<b>Average</b>		<b>3.4%</b>	<b>6.9%</b>	<b>10.3%</b>	<b>3.0%</b>	<b>6.0%</b>	<b>9.1%</b>

Source: Companies, DBS HK

## China Property Sector

**Estimated total FX loss as % of core earnings** Although the majority of total FX loss will be unrealised and are gradually amortised over time, estimated total FX loss from a 5-15% RMB depreciation represents a sizeable of 32-95% of developers' FY22F core earnings. CCRE, Agile and KWG are in the top three spots with total FX loss that well exceeds their full year earnings in the event of a 10%+ RMB depreciation.

Company	Stock Code	Total FX loss as % of core earnings					
		on FY21A core earnings			on FY22F core earnings		
		5% depr.	10% depr.	15% depr.	5% depr.	10% depr.	15% depr.
Central China	832 HK	258%	517%	775%	95%	191%	286%
Agile	3383 HK	40%	79%	119%	69%	138%	207%
KWG Property	1813 HK	44%	88%	132%	40%	80%	120%
China Jinmao	817 HK	37%	73%	110%	40%	79%	119%
China SCE	1966 HK	38%	77%	115%	38%	76%	114%
CIFI Holdings	884 HK	34%	67%	101%	35%	70%	106%
Powerlong	1238 HK	33%	66%	99%	33%	65%	98%
Times China	1233 HK	34%	68%	102%	32%	64%	97%
Yanlord Land	YLLG SP	36%	71%	107%	31%	62%	93%
Greentown	3900 HK	24%	49%	73%	24%	48%	71%
Seazen	1030 HK	20%	41%	61%	18%	35%	53%
Zhongliang	2772 HK	17%	33%	50%	17%	34%	51%
COGO	81 HK	18%	36%	54%	17%	33%	50%
Country Garden	2007 HK	16%	32%	48%	17%	33%	50%
Yuexiu	123 HK	17%	33%	50%	16%	32%	47%
COLI	688 HK	13%	27%	40%	14%	28%	42%
CR Land	1109 HK	10%	20%	30%	9%	18%	27%
China Vanke 'H'	2202 HK	10%	21%	31%	8%	16%	24%
Longfor	960 HK	6%	12%	19%	6%	11%	17%
<b>Average</b>		<b>39%</b>	<b>78%</b>	<b>117%</b>	<b>32%</b>	<b>63%</b>	<b>95%</b>

Source: Companies, DBS HK

## China Property Sector

**Impact of RMB depreciation on adjusted cash to ST debt ratios.** On the assumption that all short-term non-Rmb debt (approx. via developers' short-term to total debt ratio) has to be repaid in cash by developers (thus any FX loss arising from this front will have an impact on cashflow), a 5-15% RMB depreciation would lead to adj. cash (ex-restricted cash and regulated presales proceeds) to ST debt ratio declining from 1.38x to 1.31x, which is manageable. There is no developer with a ratio that falls below 1.0x in the three scenarios.

Company	Stock Code	Adj. Cash to ST debt ratio			
		Current	5% depr	10% depr	15% depr
Central China	832 HK	0.87	0.83	0.80	0.77
KWG Property	1813 HK	0.38	0.36	0.35	0.34
Agile	3383 HK	0.77	0.75	0.73	0.70
China SCE	1966 HK	0.89	0.87	0.85	0.82
Powerlong	1238 HK	0.38	0.37	0.36	0.35
Times China	1233 HK	1.24	1.21	1.19	1.16
CIFI Holdings	884 HK	1.67	1.63	1.59	1.56
China Jinmao	817 HK	1.24	1.21	1.19	1.16
COLI	688 HK	2.41	2.36	2.31	2.26
Yanlord Land	YLLG SP	1.86	1.82	1.79	1.75
COGO	81 HK	1.56	1.53	1.50	1.47
CR Land	1109 HK	1.68	1.66	1.63	1.61
Country Garden	2007 HK	1.16	1.14	1.13	1.11
Zhongliang	2772 HK	0.98	0.97	0.96	0.94
Seazen	1030 HK	1.22	1.21	1.19	1.17
Yuexiu	123 HK	1.10	1.09	1.08	1.07
Greentown	3900 HK	1.79	1.77	1.76	1.74
China Vanke 'H'	2202 HK	1.44	1.43	1.41	1.40
Longfor	960 HK	3.88	3.85	3.82	3.79
<b>Average</b>		<b>1.38</b>	<b>1.36</b>	<b>1.34</b>	<b>1.31</b>

Source: Companies, DBS HK

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**Impact of RMB depreciation on net gearing ratios. A 5-15% RMB depreciation would translate to a 3-12ppt increase in developers' net gearing ratios (both in the case of treating perp as equity or debt), given a 2-6% increase in total borrowings and 2-6% drop in total equity. CCRE, Agile and Jinmao would see the largest increases among the names we track with perp treated as debt in the ratio calculation.**

Company	Stock Code	Net gearing (perp as equity)				Net gearing (perp as debt)			
		Current	5% depr.	10% depr.	15% depr.	Current	5% depr.	10% depr.	15% depr.
Central China	832 HK	95%	108%	123%	141%	95%	108%	123%	141%
Agile	3383 HK	59%	64%	69%	75%	92%	102%	112%	124%
China Jinmao	817 HK	63%	67%	71%	76%	82%	88%	94%	101%
KWG Property	1813 HK	79%	84%	90%	96%	79%	84%	90%	96%
China SCE	1966 HK	71%	75%	81%	86%	71%	75%	81%	86%
Times China	1233 HK	79%	83%	88%	94%	79%	83%	88%	94%
CIFI Holdings	884 HK	64%	68%	72%	76%	67%	71%	75%	80%
Powerlong	1238 HK	77%	81%	85%	88%	79%	83%	86%	90%
COGO	81 HK	36%	39%	43%	46%	36%	39%	43%	46%
Yanlord Land	YLLG SP	35%	38%	40%	43%	35%	38%	40%	43%
Greentown	3900 HK	52%	54%	55%	57%	69%	71%	74%	76%
Zhongliang	2772 HK	35%	37%	39%	40%	35%	37%	39%	40%
Country Garden	2007 HK	43%	45%	47%	50%	43%	45%	47%	50%
Seazen	1030 HK	50%	52%	54%	56%	50%	52%	54%	56%
COLI	688 HK	24%	26%	28%	30%	24%	26%	28%	30%
Yuexiu	123 HK	47%	49%	50%	52%	47%	49%	50%	52%
CR Land	1109 HK	24%	26%	27%	28%	24%	26%	27%	28%
Longfor	960 HK	47%	48%	49%	50%	47%	48%	49%	50%
China Vanke 'H'	2202 HK	30%	31%	32%	32%	30%	31%	32%	32%
<b>Average</b>		<b>55%</b>	<b>58%</b>	<b>62%</b>	<b>66%</b>	<b>58%</b>	<b>62%</b>	<b>66%</b>	<b>71%</b>

Source: Companies, DBS HK

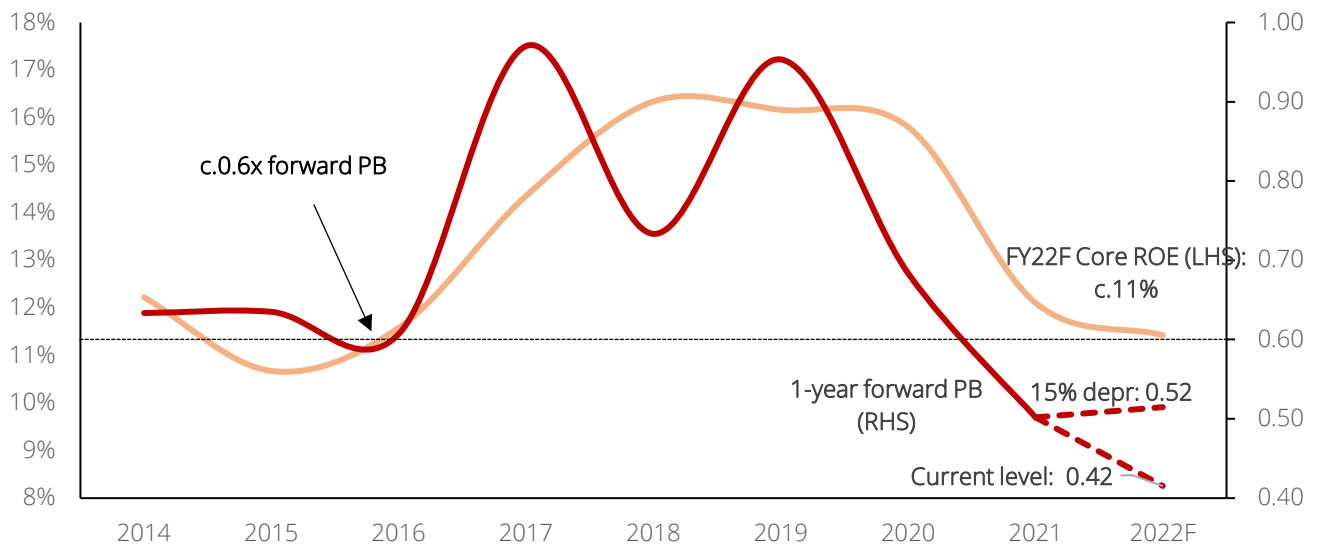
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**Estimated impact on PB ratios.** In the event of a 5-15% RMB depreciation, the sector's forward PB multiple would be inflated from current level of c.0.42x to 0.52x following the combined impact of 1) conversion of RMB as a functional currency to HKD (RMB to SGD in the case of Yanlord); and 2) FX loss. CCRE will take the hardest hit as expected, followed by CIFI, China SCE, and Times China.

Company	Stock Code	FY21A PB				FY22F PB			
		Current	5% depr.	10% depr.	15% depr.	Current	5% depr.	10% depr.	15% depr.
Central China	832 HK	0.16	0.18	0.21	0.25	0.15	0.18	0.20	0.24
CIFI Holdings	884 HK	0.57	0.64	0.71	0.79	0.49	0.54	0.60	0.67
China SCE	1966 HK	0.20	0.22	0.25	0.28	0.18	0.20	0.22	0.24
Times China	1233 HK	0.23	0.25	0.28	0.32	0.18	0.19	0.21	0.23
KWG Property	1813 HK	0.17	0.18	0.20	0.22	0.16	0.17	0.19	0.20
China Jinmao	817 HK	0.49	0.54	0.59	0.65	0.42	0.45	0.49	0.54
Zhongliang	2772 HK	0.56	0.61	0.67	0.73	0.45	0.49	0.54	0.58
Agile	3383 HK	0.20	0.22	0.24	0.27	0.16	0.17	0.19	0.20
Greentown	3900 HK	0.77	0.84	0.91	0.98	0.70	0.75	0.81	0.88
Powerlong	1238 HK	0.21	0.22	0.24	0.26	0.19	0.20	0.22	0.23
COGO	81 HK	0.42	0.45	0.49	0.53	0.35	0.38	0.41	0.44
Seazen	1030 HK	0.39	0.43	0.46	0.50	0.32	0.35	0.37	0.40
Yanlord Land	YLLG SP	0.32	0.35	0.37	0.40	0.31	0.33	0.35	0.38
Country Garden	2007 HK	0.46	0.50	0.53	0.57	0.41	0.44	0.47	0.51
Yuxiu	123 HK	0.43	0.46	0.49	0.52	0.41	0.43	0.46	0.49
COLI	688 HK	0.61	0.65	0.69	0.73	0.56	0.60	0.64	0.67
CR Land	1109 HK	0.87	0.92	0.98	1.03	0.79	0.84	0.89	0.94
Longfor	960 HK	1.48	1.57	1.67	1.76	1.31	1.39	1.47	1.56
China Vanke 'H'	2202 HK	0.70	0.74	0.78	0.83	0.65	0.69	0.73	0.77
<b>Average</b>		<b>0.47</b>	<b>0.51</b>	<b>0.55</b>	<b>0.59</b>	<b>0.42</b>	<b>0.45</b>	<b>0.48</b>	<b>0.52</b>

Source: Companies, DBS HK

**Sector 1-year forward PB to Core ROE.** Taking sector PB multiple in the context of core ROE (see our previous report: Which is the best among top names? for our rationale), the sector has historically traded at c.0.6x forward PB in 2016 when it generated an equivalent average core ROE to our and market's expected FY22F core ROE of c.11%. This indicates decent upside of >40% from our current c.0.42x forward PB. However, factoring in a 5-15% RMB depreciation, sector's forward PB would inflate to c.0.45-0.52x, with upside to narrow to <20% in the case of a 15% RMB depreciation.



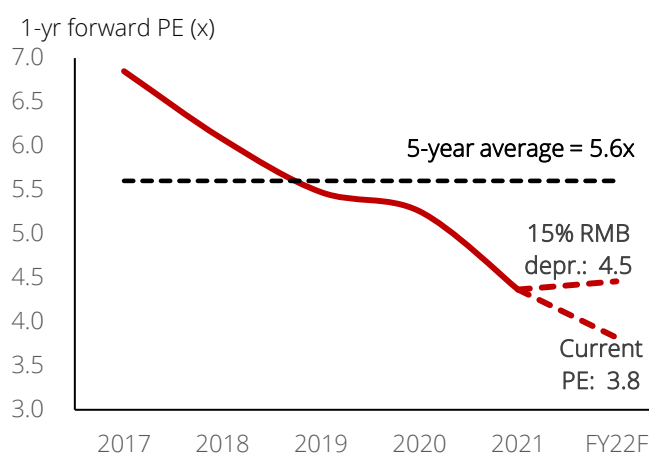
Source: Bloomberg Finance L.P., Companies, DBS HK



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**Estimated Impact on 1-year forward PE.** Impact on forward PE would be less as compared to forward PB (6-17% increase in the ratio) under a scenario of 5-15% RMB depreciation. The impact on PE from RMB depreciation would be delayed as most of the increase in interest payable is capitalised (with developers averaging an interest capitalisation ratio of >75% in FY21A), while FX loss arising from an increase in outstanding principal amount of non-Rmb debt is unrealised, before they come due. Having said that, 1-year forward PE would still rise from the current c.4.2x to 4.0-4.5x, as compared to the sector's 5-year average of c.5.6x, indicating less attractive valuations on a PE perspective as well

Company	Stock Code	1-year forward PE			
		Current	5% depr.	10% depr.	15% depr.
Agile	3383 HK	3.66	3.97	4.30	4.65
China Jinmao	817 HK	4.65	4.93	5.22	5.51
Central China	832 HK	1.72	1.81	1.92	2.02
Greentown	3900 HK	5.76	6.09	6.43	6.76
China SCE	1966 HK	1.39	1.47	1.55	1.63
Powerlong	1238 HK	2.21	2.34	2.46	2.59
Yanlord Land	YLLG SP	4.28	4.51	4.75	4.99
Times China	1233 HK	1.25	1.32	1.38	1.45
CIFI Holdings	884 HK	3.44	3.62	3.80	3.98
Yuexiu	123 HK	4.56	4.79	5.03	5.27
KWG Property	1813 HK	1.70	1.79	1.88	1.97
China Vanke 'H'	2202 HK	6.30	6.63	6.95	7.28
Seazen	1030 HK	2.27	2.38	2.50	2.62
COLI	688 HK	6.01	6.31	6.61	6.92
CR Land	1109 HK	6.72	7.05	7.39	7.73
COGO	81 HK	2.30	2.41	2.53	2.64
Longfor	960 HK	7.44	7.81	8.19	8.56
Country Garden	2007 HK	3.59	3.77	3.95	4.13
<b>Average</b>		<b>3.82</b>	<b>4.03</b>	<b>4.24</b>	<b>4.46</b>



Source: Bloomberg Finance L.P., Companies, DBS HK

## Valuation comparison

Company Name	Code	5-May Price HK\$	Mkt Cap US\$bn	3-mth daily trading value		12-m Recom target HK\$	EPS gth		PE		Yield		ROE		Net Gearing Dec-21 %	P/Bk 22F x	Disc/ NAV (Prem) to NAV		
				US\$m			22F %	23F %	22F x	23F x	22F %	23F %	22F %	23F %			HK\$	%	
<b>Large cap</b>																			
China Overseas*	688 HK	24.65	34.4	91.7	BUY	31.89	(4)	(0)	6.6	6.6	4.6	4.6	9.5	8.9	24.5	0.6	50.7	51.4	
CR Land*	1109 HK	34.65	31.5	61.1	BUY	50.93	10	9	7.2	6.6	5.2	5.6	11.8	11.8	24.4	0.8	66.9	48.2	
China Vanke 'H'	2202 HK	18.18	32.1	27.9	BUY	34.45	33	0	6.0	6.0	6.0	9.2	11.0	9.5	30.1	0.7	41.1	55.7	
Country Garden*	2007 HK	5.31	15.7	55.4	BUY	8.62	(5)	(5)	3.9	4.1	6.8	6.4	12.3	10.7	45.4	0.5	17.1	68.9	
Longfor*	960 HK	38.25	29.6	43.1	BUY	55.56	11	10	7.9	7.2	5.7	6.3	18.9	18.7	46.7	1.4	81.4	53.0	
<b>Average</b>							<b>9.0</b>	<b>2.7</b>	<b>6.3</b>	<b>6.1</b>	<b>5.6</b>	<b>6.4</b>	<b>12.7</b>	<b>11.9</b>	<b>34.2</b>	<b>0.8</b>		<b>55.4</b>	
<b>Mid cap</b>																			
China Jinmao Hldgs*	817 HK	2.40	3.9	9.8	HOLD	3.00	27	11	4.3	3.9	9.1	10.1	10.2	8.1	63.0	0.4	9.0	73.3	
CIFI Holdings*	884 HK	3.85	4.3	30.2	BUY	5.09	(13)	3	4.3	4.1	4.3	4.4	15.5	14.2	67.2	0.6	6.2	37.9	
Seazen	1030 HK	3.34	2.8	12.3	NR	n.a.	(15)	(0)	2.4	2.4	11.3	11.7	16.3	11.7	49.8	0.4	n.a.	n.a.	
Guangzhou R&F	2777 HK	2.79	1.3	6.1	NR	n.a.	n.a.	9	2.4	2.2	9.6	9.0	4.2	1.2	123.3	0.1	n.a.	n.a.	
Shenzhen Inv	604 HK	1.62	1.8	1.3	NR	n.a.	n.a.	6	3.3	3.1	11.3	11.3	7.9	8.4	28.2	0.2	n.a.	n.a.	
Yuexiu Property*	123 HK	8.03	3.2	4.1	BUY	10.12	5	6	4.8	4.6	8.3	8.8	8.8	8.8	47.1	0.4	32.9	75.6	
<b>Average</b>							<b>0.8</b>	<b>5.3</b>	<b>3.6</b>	<b>3.4</b>	<b>9.1</b>	<b>9.5</b>	<b>9.6</b>	<b>8.1</b>	<b>66.3</b>	<b>0.3</b>		<b>62.3</b>	
<b>Small cap</b>																			
China Merchants Land	978 HK	0.73	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	1.35	0.7	1.6	NR	n.a.	11	8	1.4	1.3	18.0	19.5	13.2	11.8	70.7	0.2	n.a.	n.a.	
COGO*	81 HK	4.39	1.9	3.8	BUY	7.03	7	3	2.4	2.4	8.2	8.5	17.1	15.3	35.6	0.4	16.8	73.9	
Gemdale Props	535 HK	0.79	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	1.56	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	13.28	4.2	15.4	NR	n.a.	44	19	6.0	5.1	5.1	6.1	12.6	12.7	52.0	0.7	n.a.	n.a.	
Hopson Dev	754 HK	14.08	4.3	5.9	NR	n.a.	28	2	3.0	2.9	8.1	8.3	8.7	n.a.	69.8	0.6	n.a.	n.a.	
Joy City	207 HK	0.30	0.5	0.3	NR	n.a.	54	31	4.1	3.1	5.2	n.a.	n.a.	n.a.	89.3	n.a.	n.a.	n.a.	
LVGEM*	95 HK	1.06	0.7	2.4	BUY	2.74	n.a.	n.a.	n.a.	15.2	0.0	0.0	(2.9)	1.2	72.8	0.2	10.3	89.7	
Minmetals Land	230 HK	0.76	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	1.89	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	2.38	1.3	4.5	NR	n.a.	(20)	7	1.7	1.6	20.2	20.2	10.3	7.8	88.1	0.4	n.a.	n.a.	
Road King	1098 HK	6.30	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	2.14	0.5	1.0	NR	n.a.	(43)	2	4.0	3.9	8.2	8.4	4.1	n.a.	66.4	n.a.	n.a.	n.a.	
Shui On Land	272 HK	1.12	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	1.20	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	63.7	
Zhenro Properties	6158 HK	0.60	0.3	14.1	NR	n.a.	203	(60)	0.9	2.2	17.7	n.a.	4.4	3.6	159.4	0.1	n.a.	n.a.	
Zhong An	672 HK	0.300	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.	
<b>Average#</b>							<b>29.9</b>	<b>2.3</b>	<b>2.9</b>	<b>3.9</b>	<b>11.2</b>	<b>11.7</b>	<b>8.2</b>	<b>8.3</b>	<b>74.2</b>	<b>0.4</b>		<b>79.5</b>	
<b>Average (Overall)#</b>							<b>17.8</b>	<b>3.2</b>	<b>4.0</b>	<b>4.4</b>	<b>8.6</b>	<b>8.8</b>	<b>9.8</b>	<b>9.3</b>	<b>67.0</b>	<b>0.5</b>		<b>62.8~</b>	

^ 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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