

This Week in China

Meeting expectations? Developers' 2020 results

Topic of the week:

More than half of the developers' revenue growth rate is higher than Bloomberg's consensus estimates. Taking Bloomberg consensus estimates as a reference, among the 25 mainstream developers that have announced 2020 annual results as of March 26, the actual revenue growth rates of 13 developers including C&D INTL, COGO and Seazen are higher than expected. Among developers with higher/lower-than-expected actual revenue, the median of the actual and expected growth difference is +5.9/-4.1pct, respectively. Factors including better-than-expected recovery of engineering progress and some developers' increased sales and delivery during the year led to higher-than-expected revenue.

The core profit growth rate and GPM of most developers were lower than expected. Among the 16 developers that disclosed the growth rate of their core profit (2 A-shares refers to the growth rate of net profit attributable to parent), only GreenTown and PowerLong had actual growth rates higher than expected. Currently, most of the reasons that affect the growth of core profit of most developers are: 1) rapid decline in GPM; 2) fluctuations in the attributable ratio. Among the 25 developers, only PowerLong, KWG, Times and GreenTown have achieved GPM slightly higher than expected (within 1pct), and the GPM of most developers is lower than expected with greater difference (median -2.2pct). The low-margin projects acquired in 2016 and 2017 are concentrated in the settlement period, which is the main reason for the accelerated decline in GPM.

The industry's average results growth rate may slow down, and the differentiation between developers continues. 1) From the perspective of sales growth, the average sales growth of 25 developers in 2018-2020 has continued to decline (c.53%/28%/25% respectively), which has put pressure on subsequent revenue growth; The growth rate of developers has shown a certain divergence: the target growth rates of more than half of the developers are lower than the actual growth rate in 2020. 2) From the perspective of contract liabilities/revenue, at the end of 2020, Dexin, Mideadc, and Radiance have a higher coverage multiple of contract liabilities to revenue, reaching 2.06/1.98/1.98x respectively, while 8 developers' the coverage is less than 1. 3) From the perspective of GPM, in an environment where ASP increase have slowed down, the land market has become more market-oriented, and construction and installation costs have continued to rise, it may be difficult for the industry's GPM to increase significantly; developers with resource endowments and characteristic business models may be more advantageous.

Data points:

As of Mar 26th, new house transaction area in 42 major cities this week increased 3% WoW, and cumulative transaction area in 2021 increased 112% YoY.

As of Mar 26th, saleable area (inventory) in 13 major cities this week increased 1% WoW; average inventory period was 11.3 months, average WoW change was -2%.

As of Mar 26th, second-hand housing transactions in 15 major cities this week decreased 5% WoW, and cumulative transaction area in 2020 increased 86% YoY.

Suggestion:

This week, the central bank once again mentioned "housing for living, not for speculation" in a symposium held with 24 major banks across the country, and further emphasized the stability of the industry's financial policies. At the local level, popular cities such as Chengdu and Xi'an continued to tighten regulation, Nanchang was included in the list of monitoring key cities by the MOHURD after the release of the new real estate policy. The industry's direction is expected to remain stable. Maintain "Overweight" rating.

Overweight
(Maintain)

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1. Meeting expectations? Developers' 2020

results

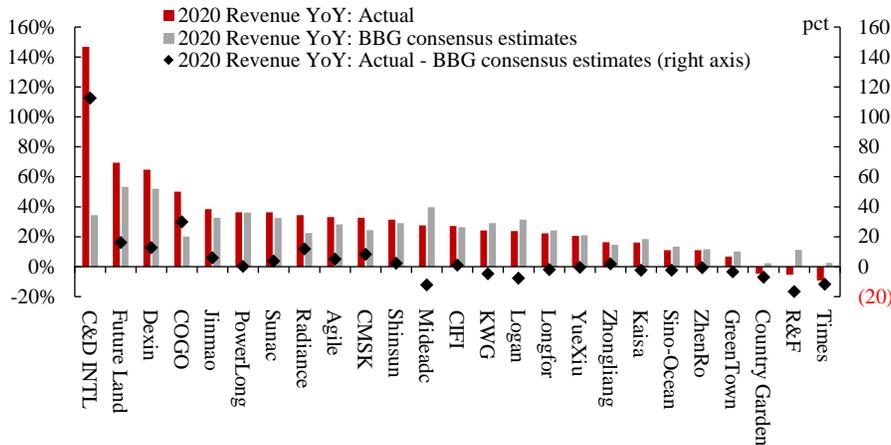
Recently, developers have intensively announced 2020 annual results. Which developers have higher than expected results in 2020 (this article uses Bloomberg consensus estimates as a reference)? What is the trend of future results growth of developers?

1.1 Do developers' 2020 results meet expectations?

Among the mainstream developers that have announced annual results, more than half of the developers' revenue growth rate is higher than Bloomberg's consensus expectation. Taking the 25 mainstream developers that have announced their 2020 annual results on March 26 as a sample, the actual revenue growth of 13 developers is higher than the Bloomberg consensus. Among them, the actual growth rate of C&D INTL, COGO, and Seazen exceeded expectations the most, with actual growth rates reaching 146.8%/50.1%/69.5%, which were 112.5/30.0/16.2 pct higher than Bloomberg consensus estimates. At the same time, the revenue growth of 12 developers was lower than expected. In terms of range, among the developers whose actual revenue is higher/lower than Bloomberg consensus estimates in 2020, the median of the difference between actual and expected revenue growth is +5.9/-4.1 pct, respectively, and revenue exceeds the expected ranges larger.

Factors including better-than-expected recovery of engineering and delivery progress and some developers' increased sales and delivery during the year led to higher-than-expected revenue. The main reasons for the difference between the actual growth rate of revenue and expectations are: 1) The progress of the construction and delivery of real estate projects has recovered better than expected. 2) The proportion of projects sold and delivered by some developers in 2020 is relatively high.

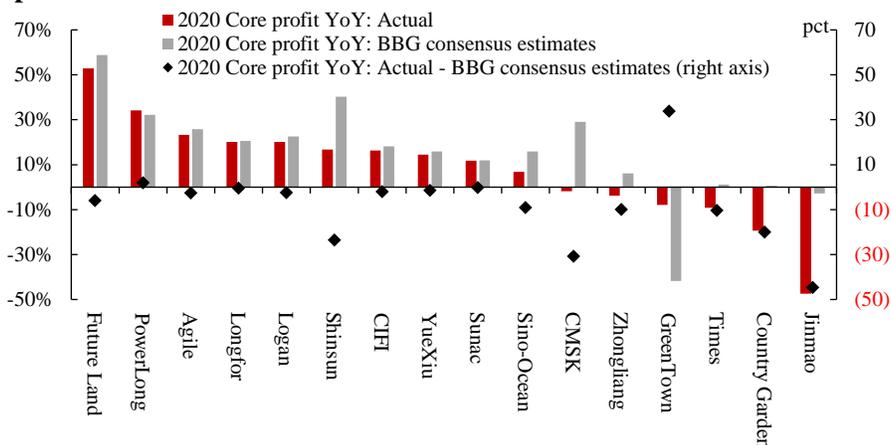
Chart 1: The revenue growth of C&D INTL, COGO, and Seazen is higher than expected



Source: Bloomberg, Company announcements, CWSI Research

The core profit growth rate of most developers was lower than expected. Among the 16 developers that disclosed the growth rate of their core profit attributable to parent (including 2 A-shares, using the growth rate of net profit attributable to parent), only GreenTown and PowerLong’s actual growth rate were higher than Bloomberg’s consensus estimates. The actual growth rate of some developers is far from the expected growth rate. Most of the reasons that affected the core profit growth of most developers were: 1) the rapid decline in GPM; 2) the fluctuation of the attributable ratio, which affected the core net profit growth through income.

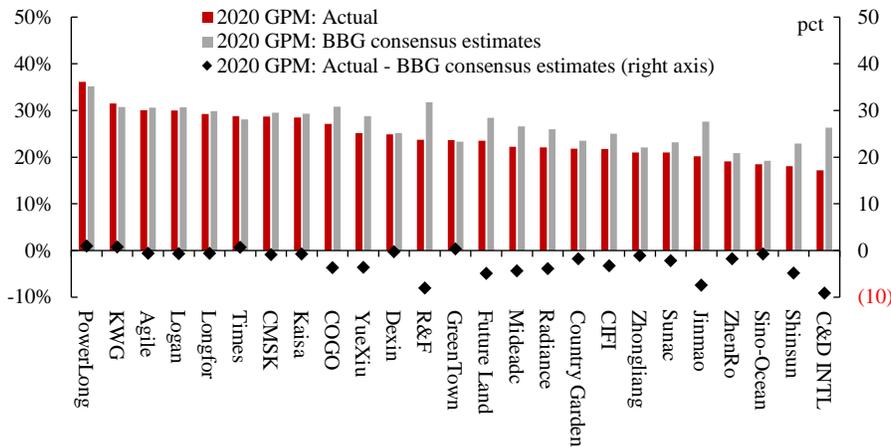
Chart 2: The core profit growth of GreenTown and PowerLong is higher than expected



Source: Bloomberg, Company announcements, CWSI Research

The unexpected decline in GPM is an important reason why core profit growth is lower than expected. Among the 25 developers, only PowerLong, KWG, Times and GreenTown achieved GPM slightly higher than Bloomberg consensus estimates in 2020 (all within +1 pct), the GPM of most developers was lower than expected, and the difference was even greater (the median was -2.2 pct lower).

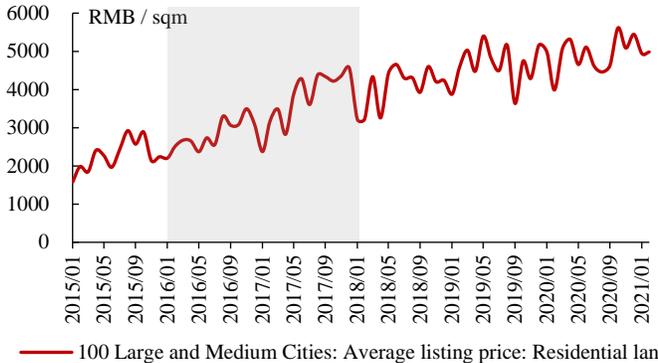
Chart 3: The GPM of PowerLong KWG, Times, etc. was slightly higher than expected



Source: Bloomberg, Company announcements, CWSI Research

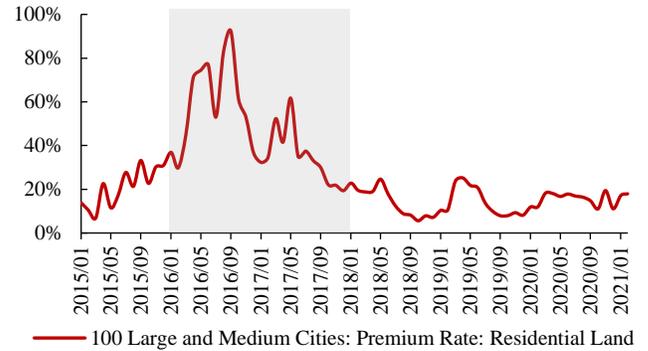
The main reason for the accelerated decline in GPM is that the low-margin projects acquired by developers in 2016 and 2017 have entered the delivery period. In an environment of cutting excess inventory, the land market became hot in 2016-2017. While the average listed price of residential land in 100 large and medium-sized cities continues to rise (from RMB 2,205 /sqm in January 2016 to RMB 4,565 / sqm in December 2017), the competition for residential land is also extremely fierce: the average premium rate for 2016Q2-2016Q3 reached 75.1%, and it reached a high of 92.4% in September 2016. The cost of land for developers is high. At the same time, the increase in housing prices was much smaller than that of land prices. The average price of sample houses in 100 cities rose rapidly from RMB 11,026 / sqm in January 2016 to RMB 12,617 / sqm in September 2016, the housing prices tended to rise more slowly. On the whole, the projects acquired by developers at high land prices in 2016-2017 have certain pressure on profit margins. The centralized settlement of the above-mentioned projects puts pressure on the current GPM of developers.

Chart 4: In recent years, the average listed price of residential land in 100 large and medium-sized cities has continued to increase



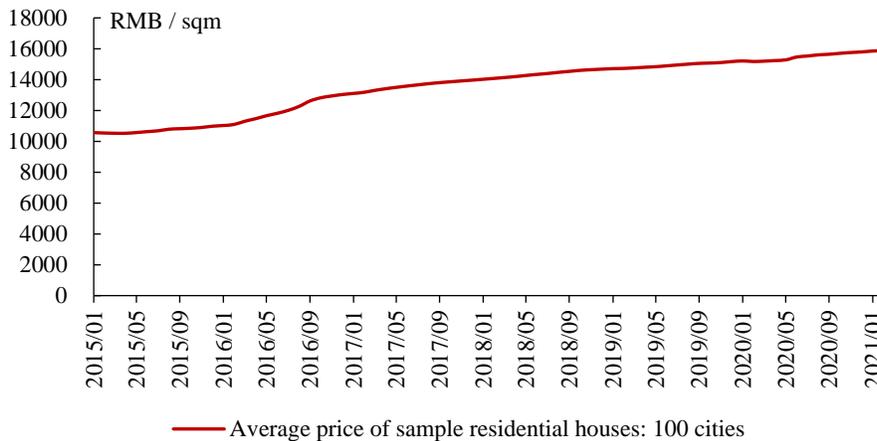
Source: Company announcement, CWSI Research

Chart 5: In 2016-2017 residential land premium rate is high



Source: Company announcement, CWSI Research

Chart 6: Compared with the first three quarters of 2016, house price growth has slowed down in recent years



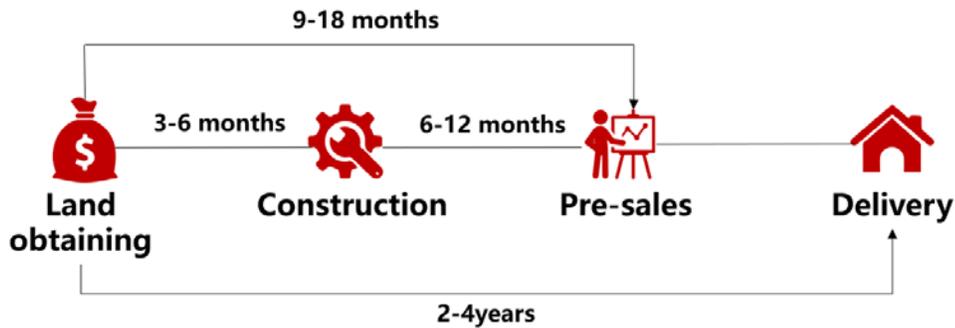
Source: Wind, CWSI Research

1.2 What is the trend of future results growth of developers?

From the perspective of sales growth, the decline in average sales growth of leading developers in recent years will put certain pressure on future revenue growth. Since there is usually a time lag between the pre-sale of commercial housing and the completion of construction, and the sales of completed homes have not yet been widely spread, there is also a certain lag in the transmission of sales growth to revenue growth. It can be seen that the average sales growth rate of mainstream developers from 2018 to 2020 continues to decline, which has brought certain pressure on the industry's subsequent growth in future revenue.

The difference in sales growth of leading developers will also lead to the divergence of revenue growth in the future. The sales growth rate of developers shows a certain difference. Among the 19 developers that have clear sales targets for 2021, the sales target growth rate for 2021 of 5 developers including Longfor and Kaisa is higher than the actual sales growth rate in 2020, while the target growth rates of more than half of the developers are slower than their actual growth rates in 2020. The difference in sales growth among developers will also drive the differentiation of future revenue growth.

Chart 7: There is a certain time lag from pre-sale to delivery



Source: CWSI Research

Table 1: Revenue growth lags behind changes in sales growth, and sales growth of mainstream developers has slowed in recent years

Company	Sales YoY					Revenue YoY			
	2017	2018	2019	2020	2021 target	2017	2018	2019	2020
C&D INTL	-	146%	105%	79%	32%	3010%	159%	45%	147%
Future Land	94%	75%	22%	-7%	4%	45%	34%	59%	69%
Dexin	-	38%	14%	41%	26%	-6%	25%	16%	65%
COGO	54%	36%	6%	20%	8%	19%	26%	33%	50%
Jinmao	43%	85%	26%	44%	8%	14%	25%	12%	39%
PowerLong	19%	96%	47%	35%	29%	9%	26%	33%	36%
Sunac	140%	27%	21%	3%	11%	86%	89%	36%	36%
Radiance	-	54%	30%	74%	-	-	36%	63%	34%
Agile	70%	14%	15%	17%	9%	11%	9%	7%	33%
CMSK	53%	51%	29%	26%	19%	19%	16%	11%	33%
Mideadc	146%	56%	28%	25%	-	48%	70%	37%	28%
CIFI	96%	46%	32%	15%	15%	43%	33%	29%	27%
KWG	236%	72%	31%	20%	20%	30%	-35%	234%	24%
Logan	51%	65%	27%	32%	20%	35%	59%	30%	24%
Longfor	77%	29%	21%	12%	15%	32%	61%	30%	22%
YueXiu	35%	41%	25%	33%	17%	14%	11%	45%	21%
Zhongliang	242%	56%	50%	11%	7%	379%	115%	87%	16%
Kaisa	60%	47%	26%	21%	22%	84%	18%	24%	16%
Sino-Ocean	40%	55%	19%	1%	14%	33%	-10%	23%	11%
ZhenRo	79%	54%	21%	9%	6%	37%	32%	23%	11%
GreenTown	8%	-2%	34%	59%	-	45%	44%	2%	7%
Country Garden	63%	31%	10%	3%	-	48%	67%	28%	-5%
R&F	34%	60%	5%	0%	-	10%	30%	18%	-5%
Times	42%	46%	29%	28%	10%	43%	49%	23%	-9%
Average	-	53%	28%	25%	-	-	41%	40%	30%

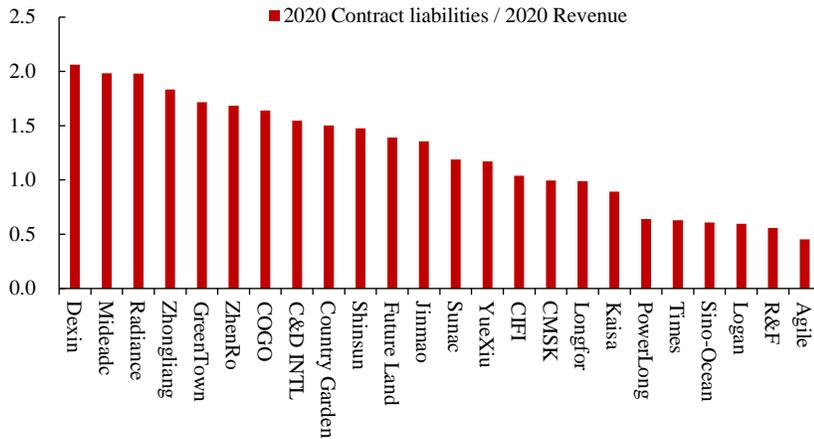
Source: Wind, company announcements, CWSI Research; Note: GreenTown's historical sales growth rate corresponds to sales excluding non-self-investment projects, and the historical sales growth rate of Country Garden, R&F, Logan, and Kaisa corresponds to attributable sales; Greentown's and R&F's 2021 sales target both corresponds to total sales, so they are not included in the comparison

From the perspective of contract liabilities/revenue, the difference in the coverage multiples among developers makes the certainty of revenue growth different.

Developers' business is mainly on property sales. Under the pre-sale system, the developers counts the proceeds received from the sales into contract liabilities, and when the project is delivered, the contract liabilities are carried forward to revenue. The coverage multiple of contract liabilities to revenue can reflect the certainty of subsequent revenue to a certain extent. According to the company's 2020 data, developers such as Dexin, Mideadc, and Radiance have higher revenue coverage, reaching 2.06/1.98/1.98 x respectively, and the certainty of future revenue is relatively high. Some companies' consolidated statements also include other non-development

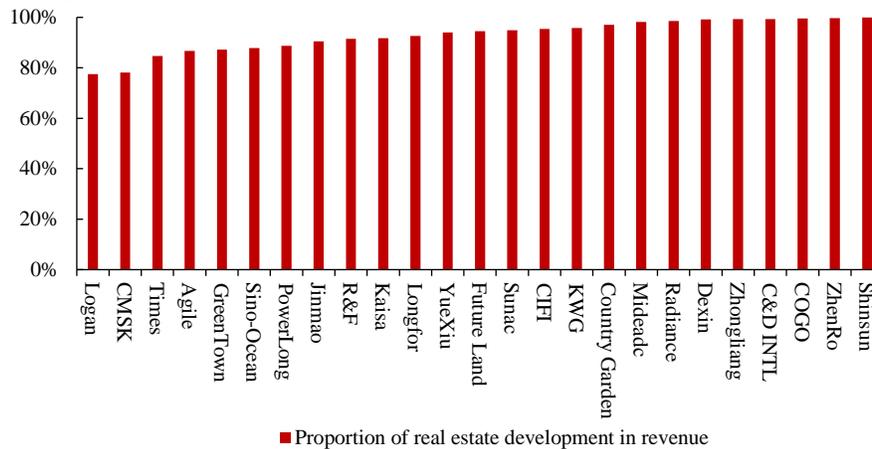
businesses, which makes contract liabilities/revenue relatively low. For example, in Agile's 2020 revenue, property management services accounted for 9.8%, while at the end of 2020, A-Living's contract liabilities in current liabilities only accounted for 2.2% of Agile's contract liabilities.

Chart 8: Dexin, Mideadc, Radiance, etc. have higher revenue coverage



Source: Company announcements, Wind, CWSI Research

Chart 9: Logan, CMSK, Times, etc. have lower revenue proportion of real estate development businesses

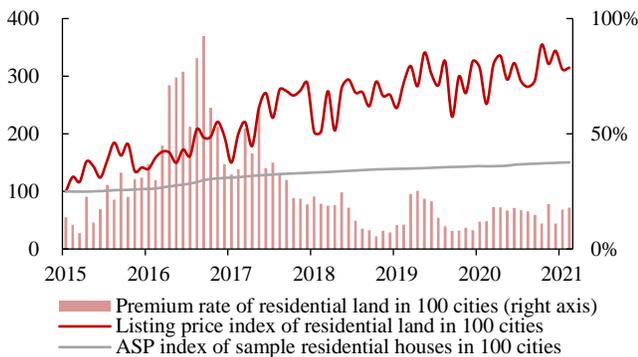


Source: Company announcements, Wind, CWSI Research

From the perspective of GPM, it may be difficult for the industry's GPM to rebound significantly. The GPM of developers mainly depends on housing prices, land costs and construction and installation costs. In terms of housing prices and land prices, if the value of January 2015 is 100, the residential price index of 100 cities in February 2021 will be about 150.4; at the same time, the average listed price index of residential land reached 314.7. Although the fever of the land market has declined after

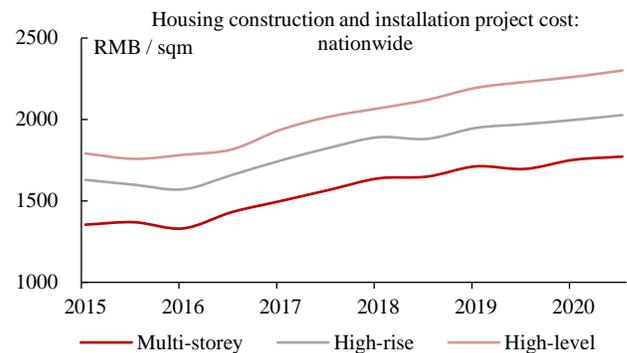
2018, and the premium rate has declined significantly compared with 2016-2017, the rising listing prices still put pressure on the land costs of developers. The current policy of “two centralizations” of residential land is intended to guide the land and commercial housing market to return to rationality through more concentrated, transparent, and sufficient land supply. In the short term, regions that are more in line with the investment logic of developers may get more resources and thus face greater transaction congestion, making it difficult to see a significant drop in land costs. In terms of construction and installation costs, with the increase in raw material and labor costs, the cost of national residential construction and installation projects for multi-storey, high-rise, and high-level residential buildings has risen from RMB 1331, 1571, 1783 / sqm in June 2016 to 1772, 2027, 2301 / sqm in December 2020. In an environment where housing prices have slowed down, the land market has become more market-oriented, and construction and installation costs have continued to rise, it may be difficult for the industry to see a significant increase in GPM. Developers with resource endowments and characteristic business models may be able to obtain land at relatively reasonable prices and be more advantageous.

Chart 10: In recent years, the increase in the listing price of residential land has been higher than the increase in housing prices



Source: Wind, CWSI Research

Chart 11: Housing construction and installation costs have continued to rise in recent years



Source: Wind, CWSI Research

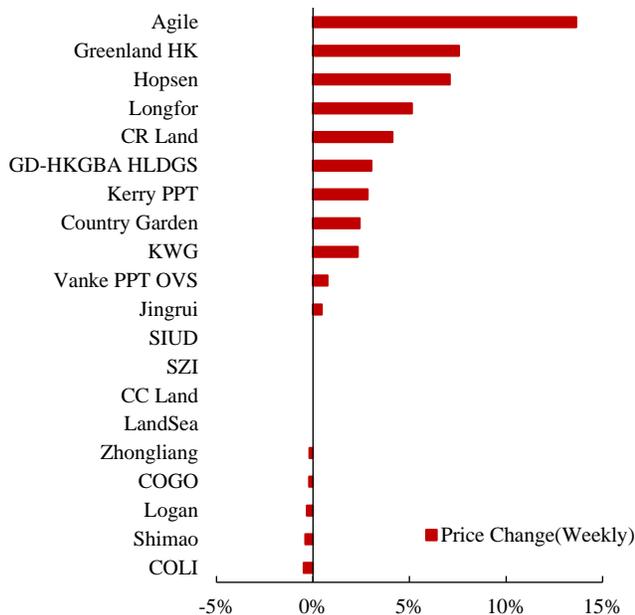
The industry’s average results growth rate may slow down, and the differentiation between developers may continue. As mentioned earlier, the slowdown in sales growth of mainstream developers in recent years may have an impact on subsequent industry revenue growth. The long-term profit rate of the industry may not rebound significantly, which will also affect industry profits. However, changes in sales growth, adequacy of contract liabilities, and GPM among developers are still showing different changes, which may intensify the subsequent results differentiation of developers.

2. Sector Performance

2.1 Performance of developer sector

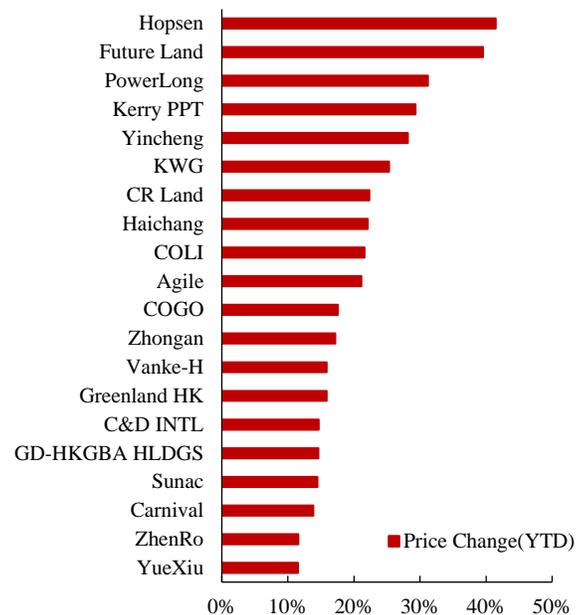
This week, Agile, Greenland HK and Hopsen had larger price increase than peers. Hopsen, Future Land and PowerLong had better share price performance, YTD.

Chart 12: This week, Agile, Greenland HK and Hopsen had larger price increase than peers



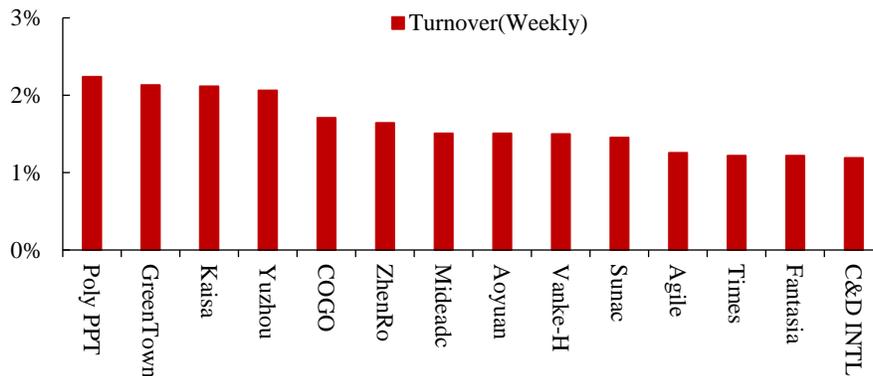
Source: Wind, CWSI Research

Chart 13: Hopsen, Future Land and PowerLong had better share price performance, YTD



Source: Wind, CWSI Research

Chart 14: Poly PPT, GreenTown and Kaisa were most actively traded this week

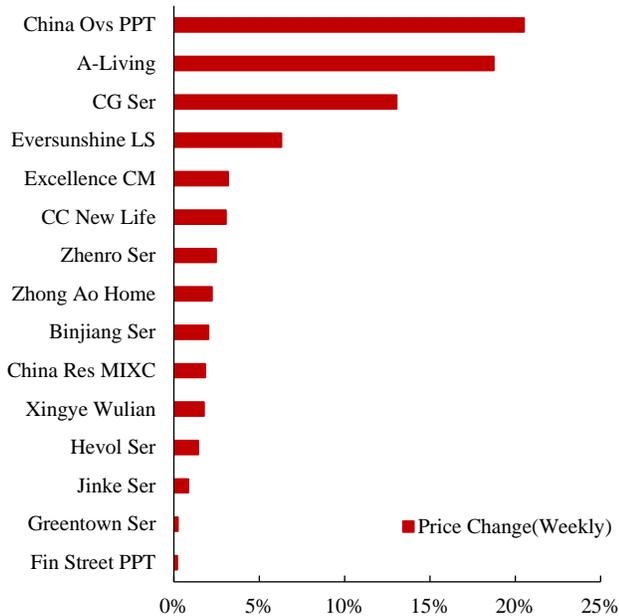


Source: Wind, CWSI Research

2.2 Performance of property management sector

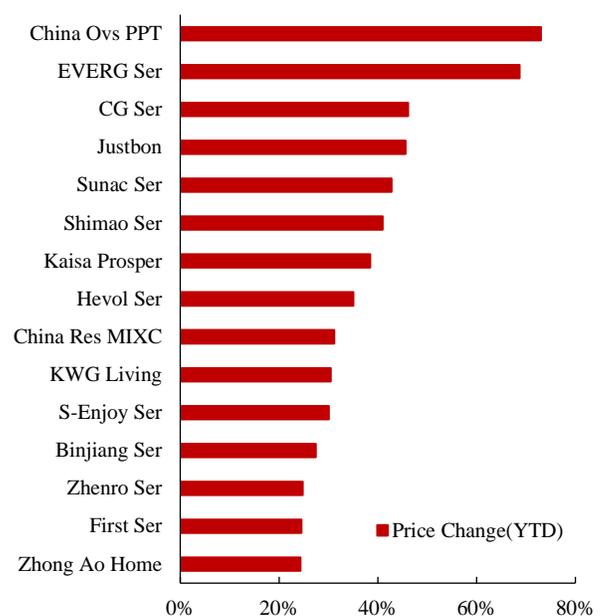
This week, China Ovs PPT, A-Living and CG Ser had larger price increase than peers.
China Ovs PPT, EVERG Ser and CG Ser had better share price performance YTD.

Chart 15: This week, China Ovs PPT, A-Living and CG Ser had larger price increase than peers



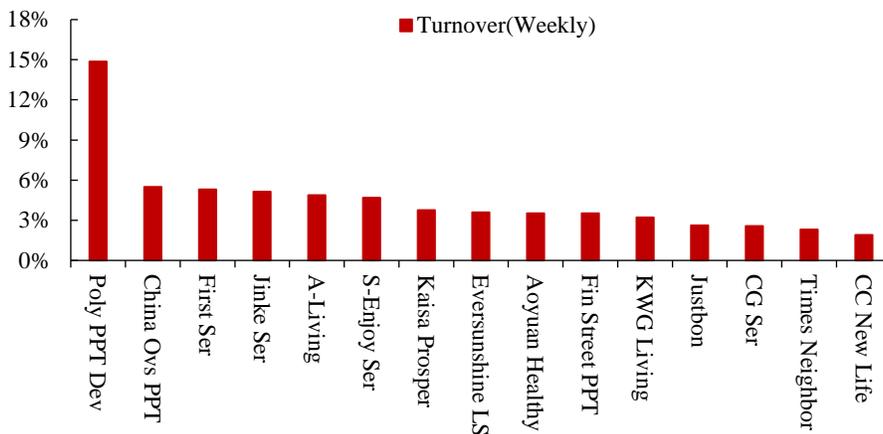
Source: Wind, CWSI Research

Chart 16: China Ovs PPT, EVERG Ser and CG Ser had better share price performance YTD



Source: Wind, CWSI Research

Chart 17: Poly PPT Dev, China Ovs PPT and First Ser were most actively traded this week



Source: Wind, CWSI Research

3. Major cities transaction performance

3.1 New house transaction data

Table 2: Major cities new house transactions volume increased WoW this week

City & Region	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	200,450	12%	155%	826	25%	237%	720	60%	242%	2,046	124%
Shanghai	367,600	8%	95%	1,696	37%	187%	1,458	83%	173%	3,993	165%
Guangzhou	343,651	13%	101%	1,279	33%	175%	1,087	53%	163%	3,290	242%
Shenzhen	79,038	-6%	26%	468	23%	50%	403	46%	40%	1,515	130%
Tier 1	990,739	9%	98%	4,269	32%	164%	3,667	64%	154%	10,845	168%
Tier 2	3,041,025	4%	79%	12,449	54%	99%	11,020	72%	97%	29,797	92%
Tier 3	2,472,622	0%	35%	10,783	26%	75%	9,168	32%	65%	27,941	117%
Beijing	200,450	12%	155%	826	25%	237%	720	60%	242%	2,046	124%
Qingdao	352,966	-6%	8%	1,437	89%	58%	1,249	124%	48%	3,141	78%
Jinan	174,787	260%	-16%	401	-29%	-40%	337	-29%	-45%	1,771	34%
Dongying	41,107	-25%	-71%	221	26%	-15%	205	119%	-18%	706	91%
PBR	769,309	17%	2%	2,884	34%	39%	2,511	59%	31%	7,665	75%
Shanghai	367,600	8%	95%	1,696	37%	187%	1,458	83%	173%	3,993	165%
Nanjing	408,441	-8%	151%	1,714	114%	177%	1,532	164%	178%	3,282	136%
Hangzhou	185,735	3%	50%	1,218	60%	93%	1,020	40%	81%	2,808	124%
Suzhou	241,920	4%	89%	994	66%	52%	893	84%	57%	2,365	57%
Wuxi	151,000	9%	40%	509	60%	37%	389	22%	5%	1,296	64%
Yangzhou	80,360	-30%	64%	435	152%	146%	429	149%	142%	899	138%
Jiangyin	62,370	12%	76%	258	19%	82%	199	18%	63%	720	90%
Wenzhou	246,220	18%	141%	1,016	-1%	156%	807	-3%	128%	2,738	105%
Jinhua	55,018	-39%	79%	275	11%	167%	247	38%	167%	836	311%
Changzhou	91,395	22%	85%	308	71%	11%	286	139%	21%	638	19%
Huaian	86,777	-13%	5%	512	-22%	80%	423	-20%	71%	1,766	148%
Lianyungang	182,772	-12%	73%	983	2%	140%	833	6%	121%	2,718	207%
Shaoxing	31,284	-25%	-48%	220	24%	28%	184	35%	23%	497	58%
Zhenjiang	167,923	7%	53%	688	70%	88%	590	86%	74%	1,489	102%
Jiaxing	31,433	10%	-19%	138	-9%	-5%	121	-21%	-13%	391	50%
Wuhu	132,904	-44%	304%	815	26%	408%	665	23%	364%	1,778	609%
Yancheng	92,846	-28%	12%	554	73%	72%	408	28%	38%	1,237	134%
Zhoushan	36,328	46%	41%	126	85%	65%	107	95%	62%	261	67%
Chizhou	21,586	13%	41%	124	36%	82%	111	50%	84%	276	87%
Ningbo	166,354	-7%	65%	787	36%	157%	686	37%	152%	2,086	155%
YRD	2,840,265	-5%	74%	13,370	39%	113%	11,388	46%	101%	32,073	128%
Guangzhou	343,651	13%	101%	1,279	33%	175%	1,087	53%	163%	3,290	242%
Shenzhen	79,038	-6%	26%	468	23%	50%	403	46%	40%	1,515	130%
Fuzhou	115,705	16%	77%	449	78%	97%	385	83%	134%	874	96%
Dongguan	55,855	11%	-38%	246	-45%	1%	195	-20%	-9%	1,339	139%
Quanzhou	31,265	27%	1%	132	44%	-1%	119	41%	-1%	419	27%
Putian	44,887	-9%	51%	247	44%	100%	209	39%	96%	517	104%
Huizhou	56,883	7%	83%	226	31%	74%	194	59%	68%	724	131%
Shaoguan	23,649	-10%	-67%	122	13%	-30%	96	9%	-40%	321	17%
Foshan	380,510	21%	52%	1,264	81%	74%	1,087	100%	71%	2,871	105%
Zhaoqing	52,455	-23%	41%	260	53%	101%	220	71%	89%	635	114%
Jiangmen	28,120	-13%	18%	147	29%	95%	120	38%	66%	407	193%
PRD & Southern China	1,212,018	10%	40%	4,841	36%	77%	4,116	56%	71%	12,913	129%
Taian	98,506	81%	207%	318	99%	219%	284	117%	196%	671	179%
Northern China	98,506	81%	207%	318	99%	219%	284	117%	196%	671	179%
Wuhan	477,846	-10%	-	1,995	69%	-	1,775	93%	-	4,824	258%
Yueyang	39,314	-12%	3%	170	10%	50%	141	8%	41%	429	61%
Baoji	87,607	-9%	-	322	44%	-	322	92%	-	977	-
Central China	604,767	-10%	1486%	2,487	59%	2091%	2,237	84%	2139%	6,230	286%
Chengdu	680,311	35%	138%	2,244	33%	43%	2,116	63%	51%	5,312	44%
Liuzhou	94,317	-17%	-21%	500	19%	15%	422	23%	16%	1,251	50%
Nanning	204,893	3%	-33%	855	24%	21%	779	43%	19%	2,469	28%
Western China	979,521	20%	38%	3,599	29%	33%	3,317	52%	37%	9,032	40%
Total	6,504,386	3%	61%	27,501	38%	96%	23,855	53%	90%	68,584	112%
Num. of cities Up		22	32		37	35		37	34		41
Num. of cities Down		20	8		5	5		5	6		0

Source: Local governments, CWSI Research; Note: Till 2021/3/26



Table 3: Major cities inventory period was 11.3 months this week

City	Inventory (sqm 000)	wow	yoy	Inventory period	Last week	wow	yoy
Beijing	11,983	0%	15%	14.5	15.4	-6%	-66%
Shanghai	5,483	5%	-25%	3.2	3.4	-6%	-74%
Guangzhou	8,365	0%	9%	6.5	7.5	-13%	-60%
Shenzhen	2,204	-7%	-15%	4.7	4.8	-1%	-43%
Tier 1 Average		-1%	-4%	7.2	7.8	-6%	-61%
Hangzhou	4,943	-3%	58%	4.1	4.0	2%	-18%
Nanjing	7,224	7%	23%	4.2	4.4	-4%	-56%
Suzhou	8,344	2%	54%	8.4	8.9	-6%	1%
Fuzhou	7,171	0%	65%	16.0	17.2	-7%	-17%
Nanning	8,739	2%	6%	10.2	10.4	-2%	-12%
Wenzhou	11,304	2%	8%	11.1	10.5	6%	-58%
Quanzhou	6,842	0%	-2%	51.8	50.1	3%	-2%
Ningbo	3,262	9%	22%	4.1	3.9	7%	-53%
Dongying	1,869	-1%	15%	8.5	8.5	0%	35%
Overall Average		1%	18%	11.3	11.5	-2%	-32%

Source: Local governments, CWSI Research; Note: Till 2021/3/26; Average WoW and average YoY are defined as average change of each city

3.2 Second-hand house transaction and price data

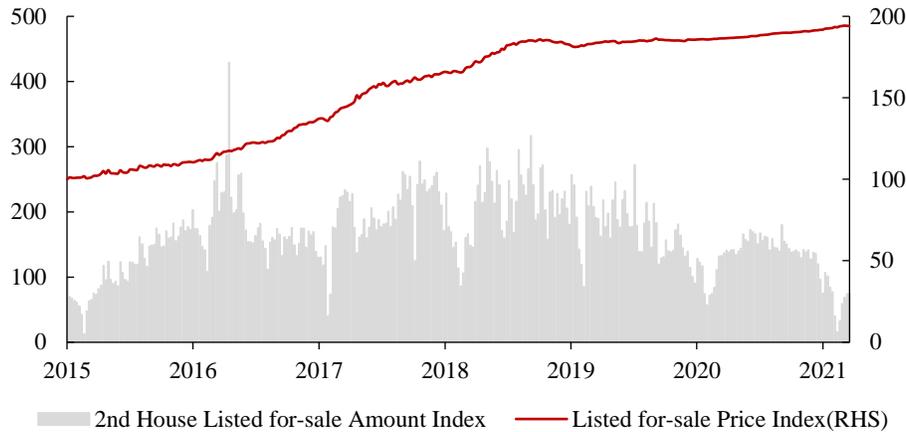
Table 4: Major cities Second-hand house transaction volume, Jinhua and Hangzhou rose significantly YTD

City	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	438,057	↑ 3%	↑ 145%	1,808	↑ 33%	↑ 176%	1,602	↑ 62%	↑ 182%	4,264	↑ 157%
Shenzhen	119,181	↑ 13%	↓ -30%	536	↑ 33%	↓ -17%	487	↑ 84%	↓ -18%	1,390	↑ 1%
Hangzhou	172,891	↓ -7%	↑ 60%	693	↑ 128%	↑ 152%	628	↑ 222%	↑ 140%	1,512	↑ 174%
Nanjing	162,595	↓ -37%	↓ -9%	947	↑ 20%	↑ 40%	845	↑ 42%	↑ 33%	2,493	↑ 95%
Chengdu	94,201	↓ -5%	↑ 33%	412	↑ 45%	↑ 55%	379	↑ 72%	↑ 55%	907	↑ 2%
Qingdao	136,729	↓ -9%	↑ 71%	571	↑ 59%	↑ 104%	530	↑ 107%	↑ 106%	1,340	↑ 103%
Wuxi	135,754	↑ 9%	↑ 17%	512	↑ 93%	↑ 47%	474	↑ 166%	↑ 41%	1,084	↑ 57%
Suzhou	165,796	↑ 2%	↑ 53%	693	↑ 33%	↑ 52%	642	↑ 54%	↑ 58%	1,745	↑ 75%
Xiamen	129,590	↑ 10%	↑ 156%	464	↑ 64%	↑ 123%	426	↑ 118%	↑ 139%	1,097	↑ 122%
Yangzhou	35,562	↑ 0%	↑ 58%	135	↑ 125%	↑ 152%	127	↑ 179%	↑ 140%	262	↑ 126%
Dongguan	36,563	↓ -15%	↓ -26%	149	↑ 14%	↓ -20%	137	↑ 53%	↓ -21%	437	↑ 8%
Nanning	42,172	↑ 82%	↓ -24%	143	↑ 31%	↓ -21%	130	↑ 47%	↓ -28%	386	↑ 5%
Foshan	148,813	↓ -9%	↑ 125%	634	↑ 41%	↑ 129%	569	↑ 75%	↑ 133%	1,646	↑ 138%
Jinhua	32,895	↓ -35%	↑ 16%	239	↓ -31%	↑ 149%	215	↑ 7%	↑ 145%	824	↑ 244%
Jiangmen	11,746	↑ 14%	↓ -9%	57	↓ -14%	↑ 0%	50	↑ 7%	↑ 1%	189	↑ 118%
Total	1,862,545	-5%	44%	7,994	40%	71%	7,240	76%	69%	19,577	86%
Num. of cities Up		8	10		13	12		15	12		15
Num. of cities Down		7	5		2	3		0	3		0

Source: Local governments, CWSI Research; Note: Till 2021/3/26

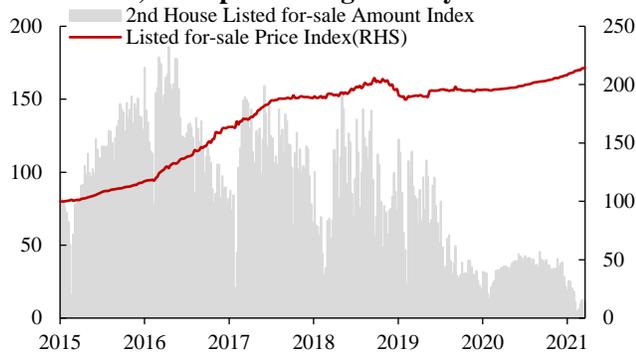


Chart 18: 2nd house listed for-sale price index rose slightly recently



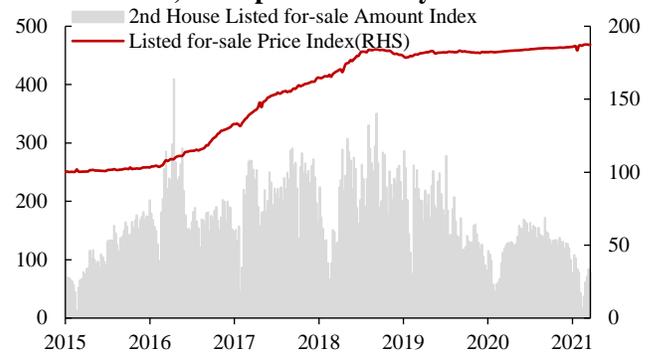
Source: Local Government, CWSI Research; Note: Till 2021/3/21

Chart 19: 2nd house listed for-sale amount index rose in tier-1 cities, with price rising recently



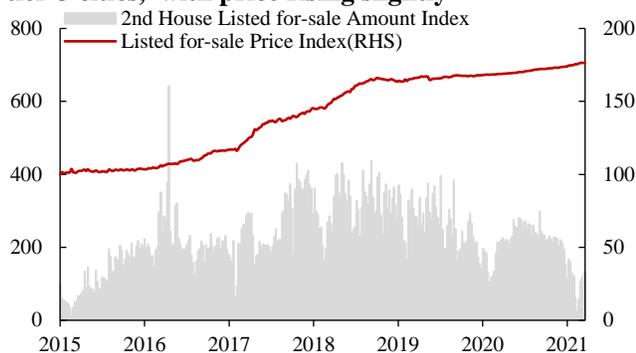
Source: Local Government, CWSI Research; Note: Till 2021/3/21

Chart 20: 2nd house listed for sale amount index rose in tier-2 cities, with price relatively stable



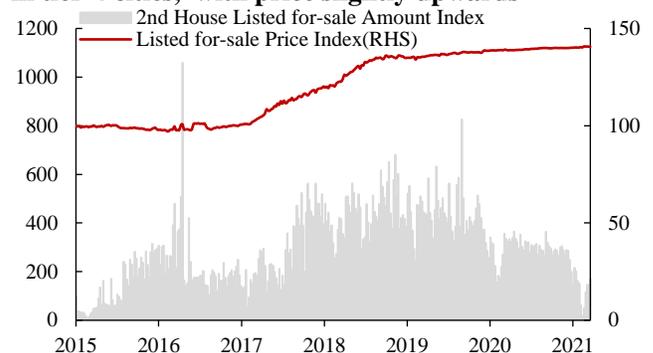
Source: Local Government, CWSI Research; Note: Till 2021/3/21

Chart 21: 2nd house listed for-sale amount index rose in tier-3 cities, with price rising slightly



Source: Local Government, CWSI Research; Note: Till 2021/3/21

Chart 22: 2nd house listed for-sale amount index rose in tier-4 cities, with price slightly upwards



Source: Local Government, CWSI Research; Note: Till 2021/3/21

4. Important Policies and News

4.1 Important Industry Policies News This Week

Table 5: Important Industry Policies News This Week: Chengdu, Jinhua and Xi'an tightened regulation

Date	Region / Institution	Summary
2021-03-22	Chengdu	Stipulated that for projects where the number of registered house buyers is three times or more of the number of available houses for sale in the current period, the sale restriction period of purchased commercial houses will be extended from 3 years to 5 years; a mechanism for issuing reference prices for second-hand housing transactions will be established; "Red line" bidders are not allowed to participate in land auctions, etc.
2021-03-22	Jinhua	The supply of residential land will be increased, the supply structure will be optimized, and the supply of low-priced land in suburbs and market towns will be increased.
2021-03-23	Xi'an	Pre-sale funds of commercial housing should be directly deposited in a special supervision account for supervision. Developers must not directly collect or set up separate accounts to collect and deposit the purchase price of the purchaser; the pre-sale funds of commercial housing shall be supervised in full and throughout the process, and the payment for project construction, etc.
2021-03-25	Nanchang	Proposed to take back the new real estate documents issued a few days ago, which involves changing the single land transfer method of "limited house price, competitive land price", implementing policies in accordance with the locality, and adopting various land transfer methods for land supply.
2021-03-25	Central Bank	Held a symposium on the optimization and adjustment of the credit structure of 24 major banks nationwide in Beijing, emphasizing the need to grasp the word "stable", adhere to the positioning of "housing for living, not for speculation", maintain the continuity, consistency and stability of real estate financial policies, and implement the real estate financial prudential management system and increase financial support for housing leasing.

Source: Wind, Government website, CWSI Research

4.2 Company news and announcements

Table 6: Company news and announcements: CG Ser acquired approximately 71.2% of the shares of BRC Justbon Ser

Date	Company	Summary
2021-03-23	CG Ser	Acquired approximately 71.2% of the shares of BRC Justbon Ser for approximately RMB 42.9 per share.
2021-03-25	China SCE	Issued of USD 300 mn 5.95% senior notes due 2024.

Source: Company announcements, CWSI Research

4.3 Key 2020A results announced this week

Table 7: In 2020, Seazen's net profit attributable to parent increased 30.8% YoY; Yincheng LS's net profit attributable to parent increased 103.2% YoY

Company	RIC	Revenue		Core Profit attributable to parent	
		(RMB bn)	YoY	(RMB bn)	YoY
Property Development					
Country Garden	2007.HK	462.9	-4.7%	32.4	-19.3%
Longfor	0960.HK	184.5	22.2%	18.7	20.2%
Seazen	601155.SH	145.5	69.5%	13.1	30.8%
CMSK	001979.SZ	129.6	32.7%	9.1	-27.2%
R&F	2777.HK	85.9	-5.4%	-	-
Agile	3383.HK	80.2	33.2%	8.3	23.3%
CIFI	0884.HK	71.8	27.2%	8.0	16.3%
Logan	3380.HK	71.1	23.7%	12.0	20.2%
Zhongliang	2772.HK	65.9	16.4%	3.8	-3.8%
GreenTown	3900.HK	65.8	6.8%	4.0	-7.9%
Jinmao	0817.HK	60.1	38.5%	3.2	-47.4%
Sino-Ocean	3377.HK	56.5	11.0%	2.2	6.9%
Kaisa	1638.HK	55.8	16.1%	-	-
Midead	3990.HK	52.5	27.6%	-	-
C&D INTL	1908.HK	42.7	146.8%	-	-
Times	1233.HK	38.6	-9.1%	5.0	-9.2%
ZhenRo	6158.HK	36.1	11.0%	-	-
KWG	1813.HK	29.7	24.2%	-	-
Hopsen	0754.HK	28.9	84.8%	-	-
Fantasia	1777.HK	21.8	14.0%	-	-
Dexin	2019.HK	15.7	64.7%	-	-
Property Management					
				Net profit attributable to parent	
CG Ser	6098.HK	15.6	61.7%	2.7	60.8%
A-Living	3319.HK	10.0	95.5%	1.8	42.5%
CMPO	001914.SZ	8.6	42.1%	0.4	52.0%
Poly PPT Dev	6049.HK	8.0	34.7%	0.7	37.3%
China Ovs PPT	2669.HK	5.5	19.7%	0.6	30.2%
Colour Life	1778.HK	3.6	-6.5%	0.5	0.6%
Jinke Ser	9666.HK	3.4	44.3%	0.6	68.5%
Eversunshine LS	1995.HK	3.1	66.1%	0.4	74.4%
KWG Living	3913.HK	1.5	34.9%	0.3	74.7%
Yincheng LS	1922.HK	1.0	38.3%	0.1	103.2%
Rsun Ser	1971.HK	0.8	52.7%	0.1	18.1%

Source: Wind, company announcements, CWSI Research; Note: Currency has been uniformly converted to CNY; A-share development companies adopt the net profit attributable to parent after deducting non-recurring G/L



Note:

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3. Uncertainties in the control of COVID-19 spread.



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