

Property

City-level relaxation came earlier, sales recovery to last longer, suggest to add quality names

We reiterate our view of overweighting high quality names among Property & PM sector given that 1) Shenzhen/Suzhou further relaxed home purchase policies which further proved regulators' determination in upholding the market confidence in our view, 2) we think there is ample room for fine-tuning in tier-1 cities (Figure 1), 3) property transaction data are robust and 4) leading indicator is strong, together with what we mentioned in previous [report](#) that purchasing sentiment is marginally better YoY, market concerns over SOEs debt default has been eased given progress on Vanke and our scenario analysis showed ~70% change for sector to be positively affected in 2Q. For stocks, we recommend 1) existing market beneficiaries including BEKE (BEKE US), 2) developers with retail business like CR Land (1109 HK), Longfor (960 HK), 3) developers with high land-to-sales ratio and high premium in product quality. 4) PM names with strong parentco., such as Binjiang Services (3316 HK), Greentown Services (2869 HK), CR MixC (1209 HK), Poly PM (6049 HK), and Jinmao Services (3316 HK).etc. **Risks:** SOE default, sales sentiment collapse, share replacement, etc.

■ Policy: Shenzhen/Suzhou further relaxed, what to expect next?

[Shenzhen](#) made another move on policy relaxation including 1) lowering CPF down payment ratio from 30% to 20% for 2nd home buyers, 2) rising CPF housing loan quota for affordable housing buyers and household with multiple children. [Suzhou](#) added more support to household with multiple children regarding CPF loan quota. This wave of supportive policies, arriving earlier than anticipated, reaffirms regulators' determination in upholding market confidence, as noted in our last [report](#). Through the comparison of current Tier - 1 city policies ([Figure 1&2](#)), it is clear that regulators still have levers to pull to stimulate purchasing power in these four cities. Potential relaxations may be: 1) Home - purchase restrictions in Beijing, Shanghai, and Shenzhen are stricter than in Guangzhou (restrictions lifted last October), especially for singles, multi-child families, and non-locals. 2) For mortgage policies, Beijing and Shanghai can increase CPF loan quotas, especially for second-home buyers. Interest rates can be lowered, with ample room for differentiation, like for single-person and multi-child households.

■ NBS 2M25: 1) REI decline narrowed on better completion and surged land sales. REI decline slightly narrowed to 9.8% YoY in 2M25 from -13.3% in Dec and -10.6% in FY24, mainly driven by narrowed decline in GFA completion (-15.6% YoY in 2M25 vs. -30.4% in Dec 24) and land sales surge, by c.30% in 2M25 by CMBI estimation given +17% YoY growth in GLA and 12% YoY increase in land price. New starts continued to show a weakening trend to -29.6% YoY in 2M25 from -23% in Dec 24/FY24 reflecting low confidence of developers. 2) Property sales volume/value off fell 5.1%/2.6% in 2M25, in line with market expectation and implying a price increase of 2.6% YoY, suggesting less discounts were offered to achieve the volume. ([Figure 3](#))

■ High-frequency data: 1) New home/secondary home sales volume in 30/16 cities remained strong at +2%/38% YoY growth YTD as of 16 Mar ([Figure 9](#)). For MTD in March, new home went up 8% YoY and secondary home sizzled 41% YoY. The trend was also evidenced by our [transaction watch in tier-1 cities](#) 2) **Leading indicator hints the momentum continues** given: a) [our new home subscription index](#) which leads the online registered sales 10-30 days which stays strong at 90+ level. This suggest solid new home sales in late March and early April. b) Another [leading indicator](#) which is home purchase related search volume on Baidu platform also suggests a better March.

OUTPERFORM
(Maintain)

China Property Sector

Miao ZHANG

(852) 3761 8910

zhangmiao@cmbi.com.hk

Bella LI

(852) 3757 6202

bellali@cmbi.com.hk

Related Reports

1. [房地产 - ~70%概率二季度板块受提振, 建议增配优质标的](#)
2. [2025 展望: 脱虚向实, 迈向健康发展](#)
3. [Property - Policy speculation + favourable data release = stock uptrend with volatility: Suggest buying the dip](#)
4. [Property - MOHURD meeting below expectation: expect a volatile uptrend for the sector in 4Q](#)
5. [Easing policies may boost trading sentiment in short term](#)
6. [Weekly highlight: Sales decline may widen in Sep](#)
7. [Binjiang Service \(3316 HK\) - Solid 1H24 with balanced sources of growth, maintain BUY](#)
8. [New Hope Services \(3658 HK\) - Robust expansion pace + anti-cyclical VAS: Maintain BUY](#)
9. [Jinmao Property Services \(816 HK\) - Improved independence with a recovered central SOE as parentco: Upgrade to BUY](#)

Figure 1: Policy tracker 1 - Mortgage loan related policies (red text denote changes)

| | Date | 1st round of relaxation | | Date | 2nd round of relaxation | | Date | 3rd round of relaxation | |
|-----------------------------|--------------|--|---|--------------|---|---|--------------|--|---|
| | | 1st home | 2nd home | | 1st home | 2nd home | | 1st home | 2nd home |
| Guangzhou | | | | | | | | | |
| Down payment ratio | May 28, 2024 | 15% | 25% | - | 15% | 25% | | | |
| Mortgage rate | | no lower limit 3.4% in actual | no lower limit 3.8% in actual | Nov 26, 2024 | 3.0% (LPR-60bps) | 3.1% (LPR-50bps) | | | |
| CPF down payment ratio | - | 20% | 30-40% | | 20% | 20% | | | |
| CPF interest rate (>5 yrs) | May 18, 2024 | 2.85% | 3.325% | - | 2.85% | 3.325% | | | ? |
| CPF housing loan quota | Apr 8, 2024 | RMB 0.7mn for individual RMB 1.4mn for household | RMB 0.7mn for individual RMB 1.4mn for household | Nov 26, 2024 | RMB 0.8mn for individual / RMB 1.6mn for household / +10~20% for | RMB 0.8mn for individual / RMB 1.6mn for household / +10~20% for | | | |
| Shanghai | | | | | | | | | |
| Down payment ratio | | 20% | 35% in core areas 30% in non-core areas | Oct 1, 2024 | 15% | 25% in core areas 20% in non-core areas | | | |
| Mortgage rate | May 27, 2024 | 3.50% (LPR-45bps) | 3.90% (LPR-5bps) in core areas 3.70% (LPR-25bps) in non core | | 3.15% (LPR-45bps) | 3.55% (LPR-5bps) in core areas 3.35% (LPR-25bps) in non core | | | |
| CPF down payment ratio | | 20% | 35% in core areas 30% in non-core areas | Oct 18, 2024 | 20% | 25% in core areas 20% in non-core areas | | | |
| CPF interest rate (>5 yrs) | May 18, 2024 | 2.85% | 3.325% | - | 2.85% | 3.325% | | | ? |
| CPF housing loan quota | May 27, 2024 | RMB 0.65mn for individual RMB 1.3mn for household | RMB 0.5mn for individual RMB 1.0mn for household | - | RMB 0.65mn for individual RMB 1.3mn for household | RMB 0.5mn for individual RMB 1.0mn for household | | | |
| Beijing | | | | | | | | | |
| Down payment ratio | | 20% | 35% in core areas 30% in non-core areas | Oct 1, 2024 | 15% | 20% | | | |
| Mortgage rate | Jun 26, 2024 | 3.5% (LPR-45bps) | 3.90% (LPR-5bps) in core areas 3.70% (LPR-25bps) in non core | | 3.15% (LPR-45bps) | 3.55% (LPR-5bps) in core areas 3.25% (LPR-25bps) in non core | | | |
| CPF down payment ratio | | 20% | 35% in core areas 30% in non-core areas | - | 20% | 35% in core areas 30% in non-core areas | | | |
| CPF interest rate (>5 yrs) | May 18, 2024 | 2.85% | 3.325% | - | 2.85% | 3.325% | | | ? |
| CPF housing loan quota | Jun 26, 2024 | RMB 1.2mn for household RMB 1.6mn for green buildings | RMB 0.6mn for household RMB 1mn for green buildings | - | RMB 1.2mn for household RMB 1.6mn for green buildings | RMB 0.6mn for household RMB 1mn for green buildings | | | |
| Shenzhen | | | | | | | | | |
| Down payment ratio | | 20% | 30% | Oct 1, 2024 | 15% | 20% | - | 15% | 20% |
| Mortgage rate | May 28, 2024 | 3.50% (LPR-45bps) | 3.90% (LPR-5bps) | | 3.15% (LPR-45bps) | 3.55% (LPR-5bps) | | 3.15% (LPR-45bps) | 3.55% (LPR-5bps) |
| CPF down payment ratio | | 20% | 30% | - | 20% | 30% | Mar 14, 2025 | 20% | 20% |
| CPF interest rate (>5 yrs) | May 18, 2024 | 2.85% | 3.325% | - | 2.85% | 3.325% | - | 2.85% | 3.325% |
| CPF housing loan quota | - | RMB 0.6mn for individual RMB 1.1mn for household | RMB 0.5mn for individual RMB 0.9mn for household | - | RMB 0.6mn for individual RMB 1.1mn for household | RMB 0.5mn for individual RMB 0.9mn for household | Mar 14, 2025 | RMB 0.84 mn for individual / RMB 1.54mn for household Raise 50% for household with multiple children / raise 20% for buying affordable housing | RMB 0.6mn for individual / RMB 1.1mn for household Raise 50% for household with multiple children / raise 20% for buying affordable housing |

Source: Local MOHURD, CMBIGM

Figure 2: Policy tracker 2 – Home purchase restrictions (**red text denote changes**)

| City | Conditions | Pre-relaxation | | Date | 1st round of relaxation | | | Date | 2nd round of relaxation | | | Date | 3rd round of relaxation | | | Date | 4th round of relaxation |
|------------------|--|----------------|------------------|--------------|------------------------------------|------------------------|----------------|--------------|--|------------------------|------------------|--------------|--|------------------------|------------------|----------------|-------------------------|
| Guangzhou | | | | | | | | | | | | | | | | | |
| | | Core areas | Non-core areas** | | ≤120 sqm in core areas | >120 sqm in core areas | Non-core areas | | ≤120 sqm in core areas | >120 sqm in core areas | Non-core areas** | | ≤120 sqm in core areas | >120 sqm in core areas | Non-core areas** | | |
| GZ residents | Household | 2 units | no restriction | | 2 units | no restriction | no restriction | | 2 units | no restriction | no restriction | | | | | | |
| GZ residents | Single | 1 unit | no restriction | | 1 unit | no restriction | no restriction | | 1 unit | no restriction | no restriction | | | | | | |
| Non-GZ residents | Household ≥2 years social insurance/tax payment | 1 unit | no restriction | Jan 27, 2024 | 1 unit | no restriction | no restriction | May 28, 2024 | 1 unit | no restriction | no restriction | Sep 26, 2024 | | | | | |
| Non-GZ residents | Single ≥2 years social insurance/tax payment | 1 unit | no restriction | | 1 unit | no restriction | no restriction | | 1 unit | no restriction | no restriction | | | no restriction | | no restriction | |
| Non-GZ residents | Household ≥6 months social insurance/tax payment | Restricted | | | Restricted | | | | 1 unit | no restriction | no restriction | | | | | | |
| Non-GZ residents | Single ≥6 months social insurance/tax payment | Restricted | | | Restricted | | | | 1 unit | no restriction | no restriction | | | | | | |
| Shanghai | | | | | | | | | | | | | | | | | |
| SH residents | Household | 2 units in SH | | | 2 units in SH | | | | 2 units in SH | | | | 2 units in SH | | | | |
| SH residents | Single | 1 unit in SH | | | 1 unit in SH | | | | 1 unit in SH | | | | 1 unit in SH | | | | |
| Non-SH residents | Household ≥5 years social insurance/tax payment | 1 unit in SH | | Jan 30, 2024 | 1 unit in SH | | May 27, 2024 | | 1 unit in SH | | | Sep 29, 2024 | 1 unit in SH | | | | |
| Non-SH residents | Single ≥5 years social insurance/tax payment | Restricted | | | 1 unit outside the Outer Ring Road | | | | 1 unit outside the Outer Ring Road + 1 unit of 2nd-hand home in SH | | | | 1 unit outside the Outer Ring Road + 1 unit of 2nd-hand home in SH | | | ? | |
| Non-SH residents | Household ≥3 years social insurance/tax payment | Restricted | | | Restricted | | | | 1 unit in SH | | | | 1 unit in SH | | | | |
| Non-SH residents | Single ≥3 years social insurance/tax payment | Restricted | | | Restricted | | | | 1 unit outside the Outer Ring Road + 1 unit of 2nd-hand home in SH | | | | 1 unit outside the Outer Ring Road + 1 unit of 2nd-hand home in SH | | | | |
| Non-SH residents | Household ≥1 years social insurance/tax payment | Restricted | | | Restricted | | | | Restricted | | | | 1 unit in SH | | | | |
| Non-SH residents | Single ≥1 years social insurance/tax payment | Restricted | | | Restricted | | | | Restricted | | | | 1 unit outside the Outer Ring Road + 1 unit of 2nd-hand home in SH | | | | |
| Beijing | | | | | | | | | | | | | | | | | |
| BJ residents | Household | 2 units in BJ | | | - | | | | 2 units in BJ + 1 unit outside 5th Ring Road | | | | 1 unit outside 5th Ring Road | | | | |
| BJ residents | Single | 1 unit in BJ | | | - | | Apr 30, 2024 | | 1 units in BJ + 1 unit outside 5th Ring Road | | | | 1 units in BJ + 1 unit outside 5th Ring Road | | | | |
| Non-BJ residents | ≥5 years social insurance/tax payment | 1 unit in BJ | | - | - | | | | 1 units in BJ + 1 unit outside 5th Ring Road | | Sep 30, 2024 | | 1 units in BJ + 1 unit outside 5th Ring Road | | | ? | |
| Non-BJ residents | ≥3 years social insurance/tax payment | Restricted | | | - | | | | Restricted | | | | 1 units in BJ + 1 unit outside 5th Ring Road | | | | |
| Non-BJ residents | ≥1 years social insurance/tax payment | Restricted | | | - | | | | Restricted | | | | 1 unit outside 5th Ring Road | | | | |
| Shenzhen | | | | | | | | | | | | | | | | | |
| SZ residents | Household (with ≥2 children) | 2 units in SZ | | | - | | | | 2 units in SZ + 1 unit in designated 7 districts* | | | | 2 units in SZ + 1 unit in designated 7 districts* | | | | |
| SZ residents | Household (with < 2 children) | 2 units in SZ | | | - | | | | 2 units in SZ | | | | 2 units in SZ + 1 unit in designated 7 districts* | | | | |
| SZ residents | Single | 1 unit in SZ | | - | - | | May 6, 2024 | | 1 unit in SZ | | Sep 29, 2024 | | 1 unit in SZ + 1 unit in designated 7 districts* (2 unit in SZ + 1 unit in designated 7 districts for single people with children) | | | ? | |
| Non-SZ residents | ≥3 years social insurance/tax payment | 1 unit in SZ | | | - | | | | 1 unit in SZ | | | | 1 unit in SZ (2 for household with 2+ children) | | | | |
| Non-SZ residents | ≥1 years social insurance/tax payment | Restricted | | | - | | | | 1 unit in designated 7 districts | | | | (2 for household with 2+ children) | | | | |
| Non-SZ residents | no social insurance/tax payment records | Restricted | | | - | | | | Restricted | | | | 1 unit in designated 7 districts (2 unit for household with 2+ children) | | | | |

Source: Local MOHURD, CMBIGM

Policy

Shenzhen/Suzhou further relaxed, what to expect next?

Shenzhen made another move on policy relaxation including 1) lower CPF down payment ratio from 30% to 20% for 2nd home buyers, 2) rise in CPF housing loan quota for affordable housing buyers and household with multiple children ([Link](#)). Suzhou added more support to household with multiple children in regarding CPF loan quota ([Link](#)). This wave of supportive policies came earlier than we expected, reaffirming the regulators' determination to uphold the market confidence as we stated in last [report](#).

Furthermore, through our comparison of the current policies in Tier - 1 cities ([Figure 1&2](#)), it has become even clearer that there is still room for relaxation in the four Tier - 1 cities. In other words, regulators still have tools at their disposal to stimulate purchasing power. We believe potential relaxations may include:

- 1) Regarding home - purchase restrictions, measures in Beijing, Shanghai, and Shenzhen are far tighter than those in Guangzhou (which fully removed restrictions last October), especially for single individuals, multi - child families, and non - local residents.
- 2) In terms of mortgage loan policies: Beijing, Shanghai have room to raise CPF loan quota especially for 2nd home buyers. There is also room to lower the loan interest rates. In particular, in terms of interest rate differentiation, such as reducing rates for single-person households and families with multiple children

NBS 2M25

Land sales cushioned REI decline

REI decline slightly narrowed to 9.8% YoY in 2M25 from -13.3% in Dec and -10.6% in FY24, mainly driven by 1) narrowed decline in GFA completion (-15.6% YoY in 2M25 vs. -30.4% in Dec 24 and -27.7% in FY24) and 2) land sales surge, c.30% in 2M25 by CMBI estimation given +17% YoY growth in GLA and 12% YoY increase in land price. New starts continued the weakening trend to -29.6% YoY in 2M25 from -23% in Dec 24/FY24.

NBS property sales in line

NBS property sales volume/value dipped 5.1%/2.6% in 2M25, implying a property price increase of 2.6% YoY suggesting less discounts were offered by developers to achieve the volume that in-line with the market expectation.

Figure 3: Quick review of national property data in 2M25

| | 2M25 | YoY | Dec-24 | YoY | 2024 | YoY |
|---|--------------|-------------|---------------|-------------|--------------|--------------|
| Property GFA sold (mn sqm) | 107 | -5.1% | 113 | -0.5% | 974 | -12.9% |
| Property sales (RMB bn) | 1,026 | -2.6% | 1,163 | 2.4% | 9,675 | -17.1% |
| <i>Implied property price (RMB/sqm)</i> | <i>9,547</i> | <i>2.6%</i> | <i>10,318</i> | <i>2.9%</i> | <i>9,935</i> | <i>-4.8%</i> |
| Unsold Inventory (mn sqm) | 799 | 5.1% | 753 | 10.6% | 753 | 10.6% |
| New starts (mn sqm) | 66 | -29.6% | 66 | -23.0% | 739 | -23.0% |
| GFA under construction (mn sqm) | 6,060 | -9.1% | 7,332 | -12.7% | 7,332 | -12.7% |
| GFA completion (mn sqm) | 88 | -15.6% | 256 | -30.4% | 737 | -27.7% |
| Property investment (RMB bn) | 1,072 | -9.8% | 665 | -13.3% | 10,028 | -10.6% |
| Domestic loans of developers (RMB bn) | 295 | -6.1% | 174 | -5.3% | 1,522 | -6.1% |

**Red/Green text denotes better/worse than the FY2024*

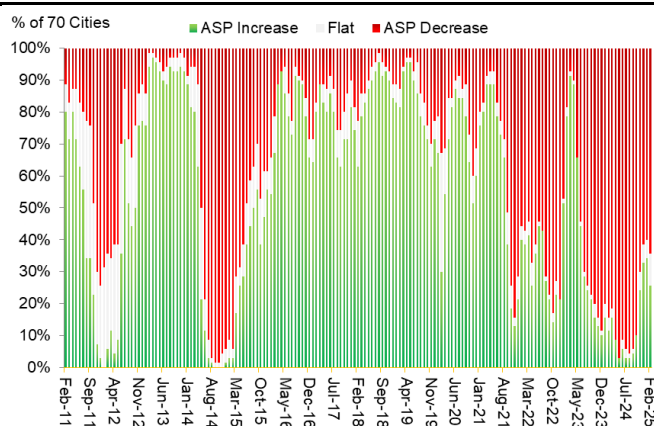
Source: MOHURD, CMBIGM

Property Price

New home price momentum retreated in Feb. New home prices in 70 cities fell 0.1% MoM and 5.2% YoY. The number of cities booked ASP increase dropped from 24 in Jan to 18 in Feb, ending the growth since Aug 2024.

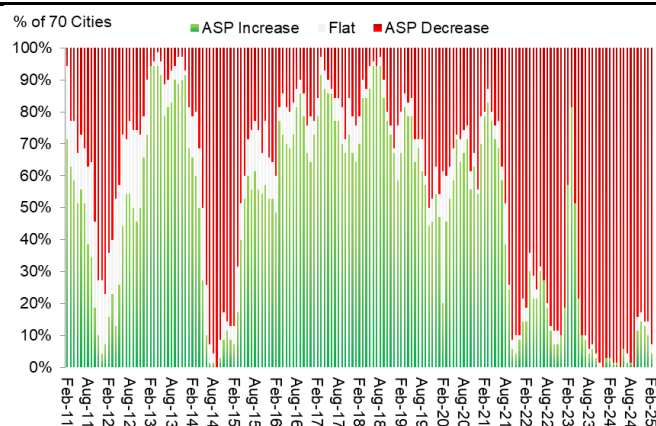
Weakening second hand home price provided support for robust transaction volume, which has declined another 0.3% MoM in Feb with only three cities recorded ASP increase, the fewest since Aug last year.

Figure 4: New home price in 70 cities



Source: Company data, CRIC, CMBIGM

Figure 5: Second hand home price in 70 cities



Source: Wind, CMBIGM

Figure 6: New home price in 70 cities – Feb 2025

| Tier 1 一线 | Tier 2 二线 | Tier 3 三线 | 70 Cities 70城 | 2月 新房 房价 环比 | | | | Feb-YoY New Home | |
|-----------------|---------------------|-----------------------|------------------|-------------------|-----------------------|----------------------|------------------|---------------------|------------------|
| 0.10% | 0.00% | -0.30% | -0.10% | | | | | | |
| Beijing 北 京 | Tianjin 天 津 | Shijiazhuang 石 家 庄 | Taiyuan 太 原 | Hohhot 呼 和 浩 特 | Shenyang 沈 阳 | Dalian 大 连 | Changchun 长 春 | Harbin 哈 尔 滨 | Shanghai 上 海 |
| 0.10% | -0.30% | -0.30% | 0.10% | -0.60% | 0.20% | 0.30% | -0.50% | 0.30% | 0.20% |
| Nanjing 南 京 | Hangzhou 杭 州 | Ningbo 宁 波 | Hefei 合 肥 | Fuzhou 福 州 | Xiamen 厦 门 | Nanchang 南 昌 | Jinan 济 南 | Qingdao 青 岛 | Zhengzhou 郑 州 |
| 0.50% | -0.10% | 0.30% | 0.20% | -0.10% | 0.20% | 0.30% | 0.30% | 0.00% | -0.40% |
| Wuhan 武 汉 | Changsha 长 沙 | Guangzhou 广 州 | Shenzhen 深 圳 | Nanning 南 宁 | Haikou 海 口 | Chongqing 重 庆 | Chengdu 成 都 | Guiyang 贵 阳 | Kunming 昆 明 |
| -0.30% | -0.20% | -0.20% | 0.40% | 0.10% | 0.00% | 0.30% | 0.00% | -0.10% | -0.20% |
| Xi'an 西 安 | Lanzhou 兰 州 | Xining 西 宁 | Yinchuan 银 川 | Urumqi 乌 鲁 木 齐 | Tangshan 唐 山 | Qinhuangdao 秦 皇 岛 | Baotou 包 头 | Dandong 丹 东 | Jinzhou 锦 州 |
| -0.50% | -0.20% | -0.10% | -0.60% | -0.10% | -0.50% | -0.20% | -0.40% | -0.40% | -0.30% |
| Jilin 吉 林 | Mudanjiang 牡 丹 江 | Wuxi 无 锡 | Yangzhou 扬 州 | Xuzhou 徐 州 | Wenzhou 温 州 | Jinhua 金 华 | Bengbu 蚌 埠 | Anqing 安 庆 | Quanzhou 泉 州 |
| -0.40% | -0.20% | -0.80% | -0.10% | -0.40% | 0.00% | -0.10% | -0.30% | -0.20% | 0.20% |
| Jiujiang 九 江 | Ganzhou 赣 州 | Yantai 烟 台 | Jining 济 宁 | Luoyang 洛 阳 | Pingdingshan 平 顶 山 | Yichang 宜 昌 | Xiangfan 襄 阳 | Yueyang 岳 阳 | Changde 常 德 |
| 0.00% | 0.00% | -0.60% | -0.30% | -0.10% | 0.00% | 0.10% | -0.10% | -0.40% | 0.10% |
| Huizhou 惠 州 | Zhanjiang 湛 江 | Shaoguan 韶 关 | Guilin 桂 林 | Beihai 北 海 | Sanya 三 亚 | Luzhou 泸 州 | Nanchong 南 充 | Zunyi 遵 义 | Dali 大 理 |
| -0.20% | -0.50% | -0.60% | -0.30% | -0.30% | -0.10% | -0.40% | -0.20% | -0.40% | -0.20% |

| Tier 1 一线 | Tier 2 二线 | Tier 3 三线 | 70 Cities 70城 | 2月 新房 房价 同比 | | | | Feb-YoY New Home | |
|-----------------|---------------------|-----------------------|------------------|-------------------|-----------------------|----------------------|------------------|---------------------|------------------|
| -3.00% | -4.70% | -5.90% | -5.20% | | | | | | |
| Beijing 北 京 | Tianjin 天 津 | Shijiazhuang 石 家 庄 | Taiyuan 太 原 | Hohhot 呼 和 浩 特 | Shenyang 沈 阳 | Dalian 大 连 | Changchun 长 春 | Harbin 哈 尔 滨 | Shanghai 上 海 |
| -5.50% | -2.80% | -4.00% | 1.20% | -6.10% | -2.80% | -5.00% | -4.20% | -5.40% | 5.60% |
| Nanjing 南 京 | Hangzhou 杭 州 | Ningbo 宁 波 | Hefei 合 肥 | Fuzhou 福 州 | Xiamen 厦 门 | Nanchang 南 昌 | Jinan 济 南 | Qingdao 青 岛 | Zhengzhou 郑 州 |
| -3.40% | -1.30% | -6.60% | -5.30% | -7.10% | -7.10% | -5.00% | -5.70% | -4.80% | -5.40% |
| Wuhan 武 汉 | Changsha 长 沙 | Guangzhou 广 州 | Shenzhen 深 圳 | Nanning 南 宁 | Haikou 海 口 | Chongqing 重 庆 | Chengdu 成 都 | Guiyang 贵 阳 | Kunming 昆 明 |
| -6.70% | -6.50% | -7.80% | -4.40% | -6.20% | -3.70% | -3.00% | -4.60% | -8.30% | -5.40% |
| Xi'an 西 安 | Lanzhou 兰 州 | Xining 西 宁 | Yinchuan 银 川 | Urumqi 乌 鲁 木 齐 | Tangshan 唐 山 | Qinhuangdao 秦 皇 岛 | Baotou 包 头 | Dandong 丹 东 | Jinzhou 锦 州 |
| -1.70% | -7.30% | -5.40% | -4.40% | -3.20% | -7.70% | -7.10% | -6.40% | -6.20% | -4.80% |
| Jilin 吉 林 | Mudanjiang 牡 丹 江 | Wuxi 无 锡 | Yangzhou 扬 州 | Xuzhou 徐 州 | Wenzhou 温 州 | Jinhua 金 华 | Bengbu 蚌 埠 | Anqing 安 庆 | Quanzhou 泉 州 |
| -5.70% | -7.20% | -4.60% | -6.40% | -6.10% | -9.40% | -9.60% | -6.10% | -6.00% | -7.90% |
| Jiujiang 九 江 | Ganzhou 赣 州 | Yantai 烟 台 | Jining 济 宁 | Luoyang 洛 阳 | Pingdingshan 平 顶 山 | Yichang 宜 昌 | Xiangfan 襄 阳 | Yueyang 岳 阳 | Changde 常 德 |
| -7.00% | -5.10% | -6.10% | -5.00% | -5.80% | -1.10% | -4.50% | -6.00% | -6.40% | -7.30% |
| Huizhou 惠 州 | Zhanjiang 湛 江 | Shaoguan 韶 关 | Guilin 桂 林 | Beihai 北 海 | Sanya 三 亚 | Luzhou 泸 州 | Nanchong 南 充 | Zunyi 遵 义 | Dali 大 理 |
| -6.30% | -6.10% | -5.80% | -3.60% | -5.90% | -3.20% | -7.30% | -2.90% | -3.40% | -6.30% |

Source: NBS, Wind, CMBIGM

Figure 7: Second hand home price in 70 cities – Feb 2025

| Tier 1 一线 | Tier 2 二线 | Tier 3 三线 | 70 Cities 70城 | 2月二手房房价环比 | | | | | | Feb-MoM 2nd Hand |
|-----------------|---------------------|-----------------------|------------------|-------------------|-----------------------|----------------------|------------------|-----------------|------------------|---------------------|
| -0.10% | -0.40% | -0.40% | -0.30% | | | | | | | |
| Beijing 北 京 | Tianjin 天 津 | Shijiazhuang 石 家 庄 | Taiyuan 太 原 | Hohhot 呼 和 浩 特 | Shenyang 沈 阳 | Dalian 大 连 | Changchun 长 春 | Harbin 哈 尔 滨 | Shanghai 上 海 | |
| 0.00% | -0.40% | -0.20% | -0.60% | -0.40% | -0.30% | -0.70% | -0.70% | -0.40% | -0.40% | |
| Nanjing 南 京 | Hangzhou 杭 州 | Ningbo 宁 波 | Hefei 合 肥 | Fuzhou 福 州 | Xiamen 厦 门 | Nanchang 南 昌 | Jinan 济 南 | Qingdao 青 岛 | Zhengzhou 郑 州 | |
| -0.30% | -0.20% | -0.40% | -0.30% | -0.60% | -0.30% | -0.30% | -0.20% | -0.10% | -0.60% | |
| Wuhan 武 汉 | Changsha 长 沙 | Guangzhou 广 州 | Shenzhen 深 圳 | Nanning 南 宁 | Haikou 海 口 | Chongqing 重 庆 | Chengdu 成 都 | Guiyang 贵 阳 | Kunming 昆 明 | |
| -0.60% | -0.40% | -0.30% | 0.30% | -0.40% | 0.20% | -0.10% | 0.20% | -0.20% | -0.50% | |
| Xi'an 西 安 | Lanzhou 兰 州 | Xining 西 宁 | Yinchuan 银 川 | Urumqi 乌 鲁 木 齐 | Tangshan 唐 山 | Qinhuangdao 秦 皇 岛 | Baotou 包 头 | Dandong 丹 东 | Jinzhou 锦 州 | |
| -0.40% | -0.10% | -0.50% | -0.70% | -0.30% | -0.60% | -0.40% | -0.20% | 0.00% | -0.50% | |
| Jilin 吉 林 | Mudanjiang 牡 丹 江 | Wuxi 无 锡 | Yangzhou 扬 州 | Xuzhou 徐 州 | Wenzhou 温 州 | Jinhua 金 华 | Bengbu 蚌 埠 | Anqing 安 庆 | Quanzhou 泉 州 | |
| -0.20% | -0.40% | -0.10% | -0.90% | -0.80% | -0.20% | -0.30% | -0.20% | -0.60% | -0.10% | |
| Jiujiang 九 江 | Ganzhou 赣 州 | Yantai 烟 台 | Jining 济 宁 | Luoyang 洛 阳 | Pingdingshan 平 顶 山 | Yichang 宜 昌 | Xiangfan 襄 阳 | Yueyang 岳 阳 | Changde 常 德 | |
| -0.20% | -0.10% | -0.80% | -0.20% | -0.30% | -0.30% | -0.40% | -0.60% | -0.10% | -0.30% | |
| Huizhou 惠 州 | Zhanjiang 湛 江 | Shaoguan 韶 关 | Guilin 桂 林 | Beihai 北 海 | Sanya 三 亚 | Luzhou 泸 州 | Nanchong 南 充 | Zunyi 遵 义 | Dali 大 理 | |
| -0.50% | -0.40% | -0.30% | -0.50% | -0.60% | -0.20% | -0.50% | -0.30% | -0.50% | -0.30% | |

| Tier 1 一线 | Tier 2 二线 | Tier 3 三线 | 70 Cities 70城 | 2月二手房房价同比 | | | | | | Feb-YoY 2nd Hand |
|-----------------|---------------------|-----------------------|------------------|-------------------|-----------------------|----------------------|------------------|-----------------|------------------|---------------------|
| -4.90% | -7.40% | -8.00% | -7.50% | | | | | | | |
| Beijing 北 京 | Tianjin 天 津 | Shijiazhuang 石 家 庄 | Taiyuan 太 原 | Hohhot 呼 和 浩 特 | Shenyang 沈 阳 | Dalian 大 连 | Changchun 长 春 | Harbin 哈 尔 滨 | Shanghai 上 海 | |
| -2.90% | -5.50% | -7.00% | -4.40% | -11.20% | -6.60% | -9.30% | -6.60% | -8.10% | -2.10% | |
| Nanjing 南 京 | Hangzhou 杭 州 | Ningbo 宁 波 | Hefei 合 肥 | Fuzhou 福 州 | Xiamen 厦 门 | Nanchang 南 昌 | Jinan 济 南 | Qingdao 青 岛 | Zhengzhou 郑 州 | |
| -5.10% | -4.10% | -8.00% | -8.20% | -9.10% | -10.00% | -10.50% | -9.40% | -7.30% | -7.60% | |
| Wuhan 武 汉 | Changsha 长 沙 | Guangzhou 广 州 | Shenzhen 深 圳 | Nanning 南 宁 | Haikou 海 口 | Chongqing 重 庆 | Chengdu 成 都 | Guiyang 贵 阳 | Kunming 昆 明 | |
| -9.00% | -8.40% | -9.40% | -5.30% | -8.90% | -6.40% | -5.50% | -3.80% | -5.10% | -7.70% | |
| Xi'an 西 安 | Lanzhou 兰 州 | Xining 西 宁 | Yinchuan 银 川 | Urumqi 乌 鲁 木 齐 | Tangshan 唐 山 | Qinhuangdao 秦 皇 岛 | Baotou 包 头 | Dandong 丹 东 | Jinzhou 锦 州 | |
| -7.00% | -9.00% | -7.40% | -5.60% | -5.80% | -11.40% | -10.40% | -10.60% | -10.40% | -8.50% | |
| Jilin 吉 林 | Mudanjiang 牡 丹 江 | Wuxi 无 锡 | Yangzhou 扬 州 | Xuzhou 徐 州 | Wenzhou 温 州 | Jinhua 金 华 | Bengbu 蚌 埠 | Anqing 安 庆 | Quanzhou 泉 州 | |
| -5.80% | -7.90% | -7.30% | -9.10% | -7.40% | -10.40% | -11.20% | -6.60% | -8.90% | -10.90% | |
| Jiujiang 九 江 | Ganzhou 赣 州 | Yantai 烟 台 | Jining 济 宁 | Luoyang 洛 阳 | Pingdingshan 平 顶 山 | Yichang 宜 昌 | Xiangfan 襄 阳 | Yueyang 岳 阳 | Changde 常 德 | |
| -8.90% | -4.90% | -9.50% | -5.60% | -6.80% | -5.00% | -7.20% | -10.10% | -5.90% | -8.90% | |
| Huizhou 惠 州 | Zhanjiang 湛 江 | Shaoguan 韶 关 | Guilin 桂 林 | Beihai 北 海 | Sanya 三 亚 | Luzhou 泸 州 | Nanchong 南 充 | Zunyi 遵 义 | Dali 大 理 | |
| -10.20% | -7.50% | -6.50% | -5.80% | -5.40% | -6.90% | -8.20% | -6.80% | -5.70% | -7.30% | |

Source: NBS, Wind, CMBIGM

Property Sales

High-frequency data

As of 16 Mar, new home sales volume in 30 cities went up 12% WoW, and increased 8% YoY MTD in Mar vs. +1% 2M25. YTD figure went up 2% YoY in 30 cities, mainly driven by tier-3 cities which booked +15% YoY growth vs. -1% YoY growth for tier-1&2 cities.

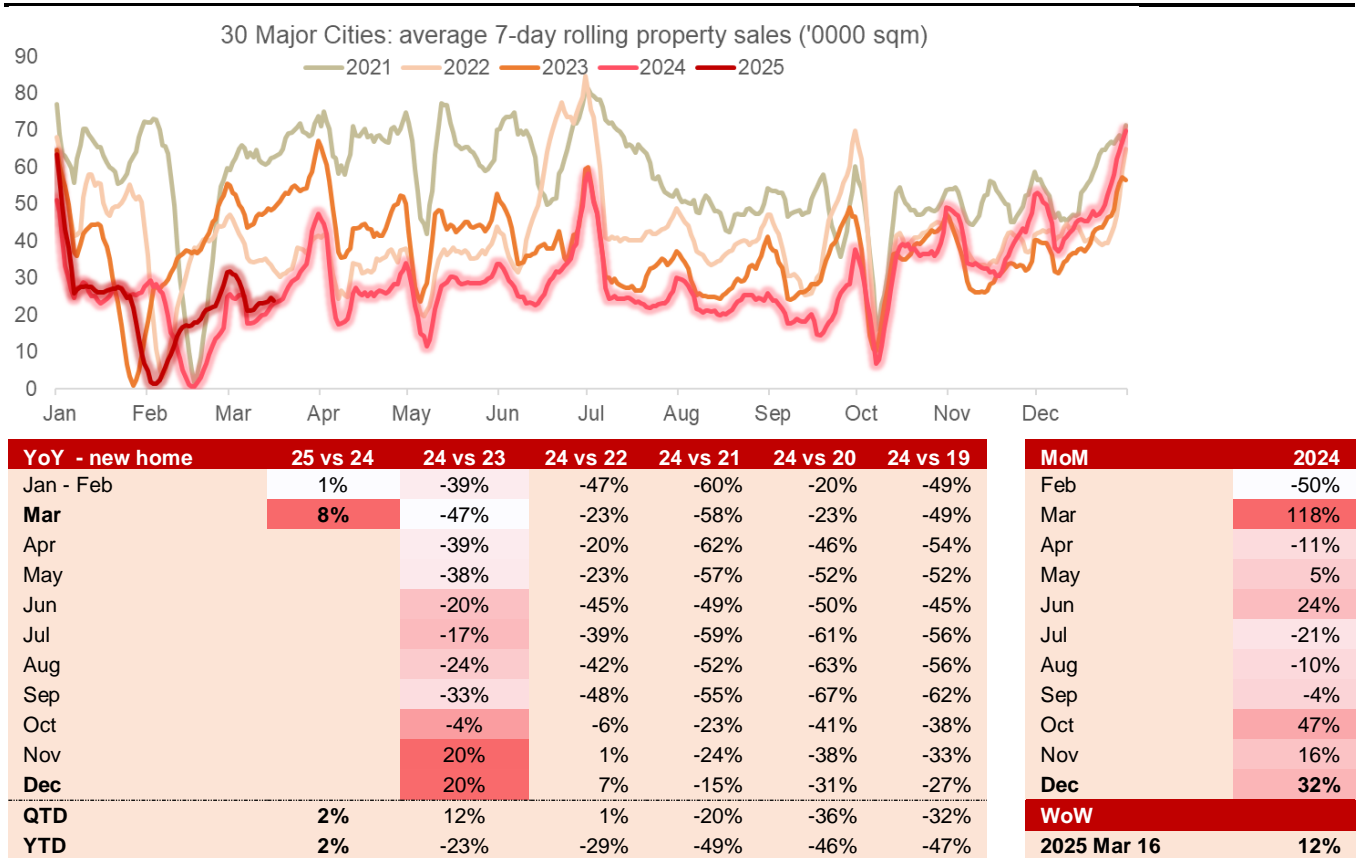
As of 16 Mar, secondary home sales volume in 16 cities went up 7% WoW, and increased 41% YoY MTD in Mar vs. +37% 2M25. YTD figure surged by 38% YoY, mainly driven by Shanghai, Beijing, Chengdu that contributed 65% of total volume in total.

Figure 8: Daily avg. transaction volume ('0000 sqm)

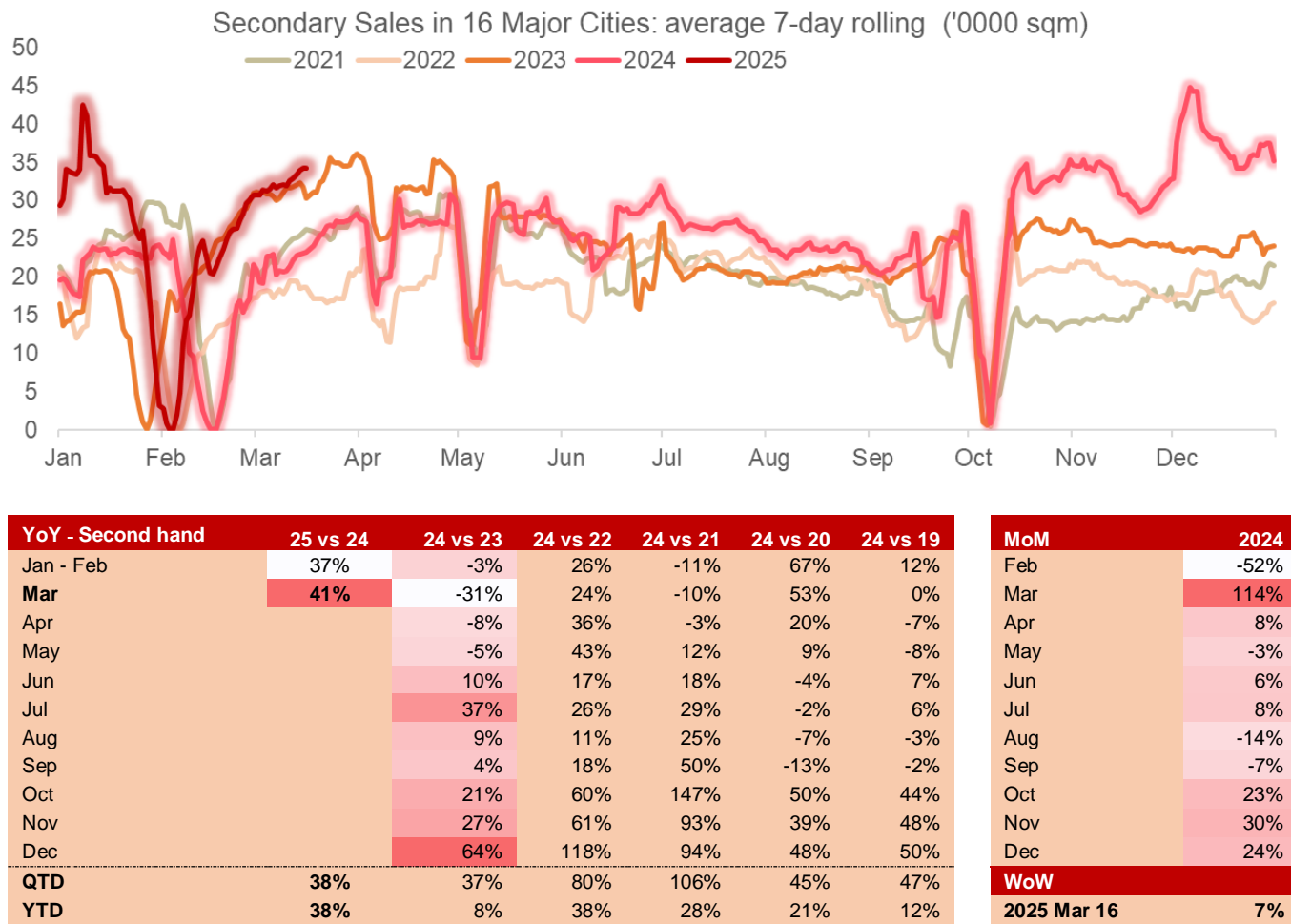
| Primary sales | 2024 YTD | 2025 YTD | YoY | Secondary sales | 2024 YTD | 2025 YTD | YoY |
|------------------------|----------|----------|-------------|------------------------|----------|----------|-------------|
| 30 major cities | 20.45 | 20.88 | 2% | 16 major cities | 18.56 | 25.67 | 38% |
| Tier 1&2 | 16.11 | 15.90 | -1% | Shenzhen | 1.06 | 1.69 | 59% |
| Tier 3 | 4.35 | 4.98 | 15% | Hangzhou | 0.90 | 1.51 | 68% |
| Shenzhen | 0.64 | 1.09 | 69% | Shanghai | 3.65 | 5.52 | 51% |
| Guangzhou | 1.67 | 2.00 | 20% | Beijing | 3.21 | 4.29 | 34% |
| Shanghai | 2.69 | 3.06 | 14% | Chengdu | 5.26 | 6.79 | 29% |
| Chengdu | 4.78 | 4.90 | 2% | Dongguan | 0.70 | 0.88 | 27% |
| Suzhou | 1.08 | 0.91 | -16% | Suzhou | 1.84 | 2.00 | 8.5% |
| Hangzhou | 1.29 | 1.14 | -12% | Qingdao | 1.40 | 1.48 | 5.7% |
| Beijing | 2.65 | 1.88 | -29% | Foshan | 1.86 | 1.86 | 0% |

Source: Wind, CMBIGM (as of 16 March 2025)

Figure 9: YTD new home sales went up 2% YoY



Source: Wind, CMBIGM (as of 5 March 2025)

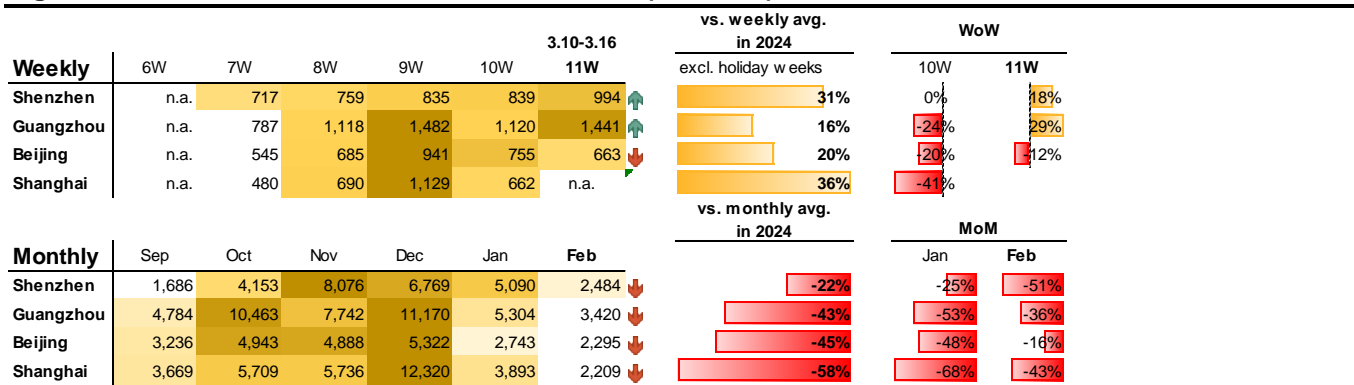
Figure 10: YTD secondary sales rallied 41% YoY

Source: Wind, CMBIGM (as of 16 March 2025)

Transaction watch in tier-1 cities (weekly)

During the 11th week of 2025 (10-16 Mar), units of new homes sold in SZ, GZ surpassed weekly avg. in FY24 by 31% and 10% respectively, while BJ underperformed by -34% since project launch was mostly concentrated in late March.

Secondary market sentiment stayed high with all tier 1 cities saw unit sold in 11W surpassing their weekly avg. in FY24 by 16-36%. SH and SZ took the lead.

Figure 11: Units of new homes sold in tier-1 cities (11W2025)

Source: Local bureaus of MOHURD, CMBIGM

Figure 12: Units of secondary homes sold in tier-1 cities (10W2025)

| Weekly | 5W | 6W | 7W | 8W | 9W | 10W | 3.03-3.09 | | vs. weekly avg. in 2024 excl. holiday weeks | WoW | |
|-----------|------|------|-------|-------|-------|-------|-----------|--|---|-----|-----|
| | | | | | | | | | | 9W | 10W |
| Shenzhen | n.a. | n.a. | 959 | 1,132 | 1,272 | 1,393 | ↑ | | 23% | 12% | 10% |
| Guangzhou | n.a. | n.a. | 1,734 | 2,488 | 2,643 | 2,540 | ↓ | | 12% | 6% | -4% |
| Beijing | n.a. | n.a. | 2,923 | 3,537 | 4,510 | 3,847 | ↓ | | 9% | 28% | 15% |
| Shanghai | n.a. | n.a. | 4,708 | 5,581 | 6,692 | 6,004 | ↓ | | 23% | 20% | 10% |

| Monthly | Sep | Oct | Nov | Dec | Jan | Feb | 3.03-3.09 | | vs. monthly avg. in 2024 | MoM | |
|-----------|--------|--------|--------|--------|--------|--------|-----------|--|-----------------------------|------|------|
| | | | | | | | | | | Jan | Feb |
| Shenzhen | 3,191 | 6,118 | 7,125 | 8,282 | 4,554 | 3,677 | ↓ | | -19% | -45% | -19% |
| Guangzhou | 8,473 | 10,379 | 11,418 | 11,494 | 10,038 | 6,278 | ↓ | | -32% | -13% | -37% |
| Beijing | 13,274 | 17,367 | 18,763 | 21,556 | 12,480 | 11,876 | ↓ | | -19% | -42% | -5% |
| Shanghai | 15,942 | 24,376 | 27,050 | 29,711 | 18,398 | 16,742 | ↓ | | -15% | -38% | -9% |

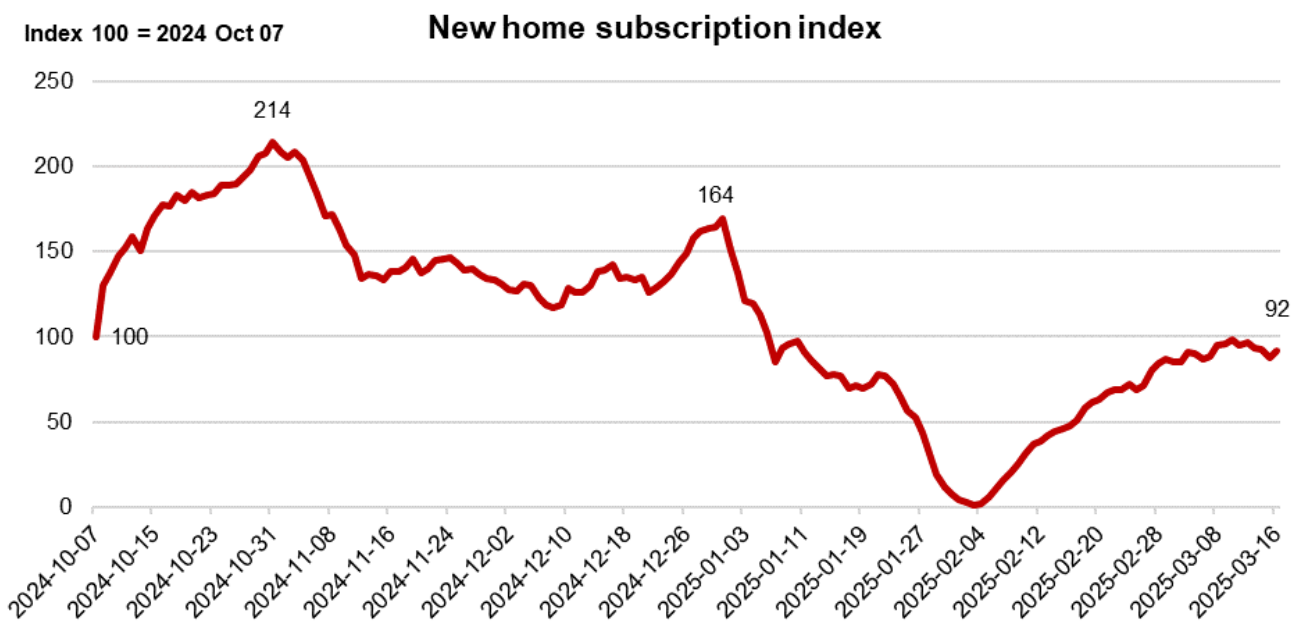
Source: Local bureaus of MOHURD, CMBIGM

Leading indicator

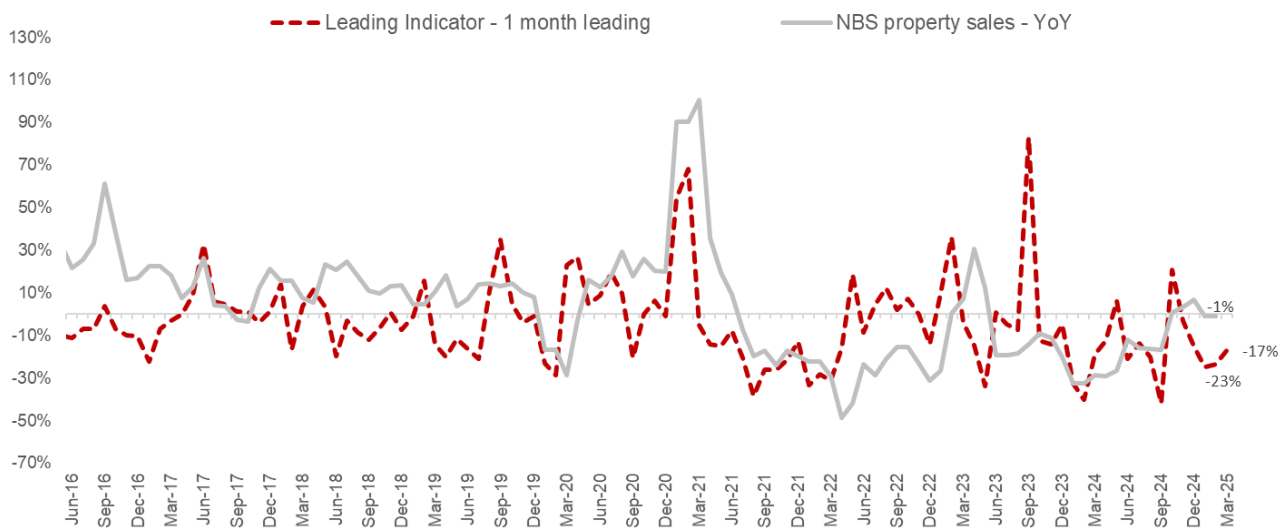
New home subscription index keeps climbing. As of 16 March, the new home subscription index (Figure 7) which leads the online registered sales 10-30 days stays strong at 90+ level. This suggests solid new home sales in late March and early April.

Baidu search volume suggests a better March. As of 16 March, our leading indicator, which is the home purchase related words search volume on Baidu platform, showed a narrowed YoY decline in March MTD from that of Feb, suggesting the property sales decline in March may continue to narrow in our view.

Figure 13: New home subscription index



Source: Wind, CMBIGM (as of 16 March 2025)

Figure 14: Leading Indicator

Source: Wind, CMBIGM

Investment thesis

We reiterate our stance of overweighting high quality names among property & PM sector. This is based on:

- 1) stronger policy support signals,
- 2) more fine-tuning room in Tier - 1 cities,
- 3) robust fundamentals, and
- 4) persistently strong leading indicators.
- 5) Also, as noted in our previous report that, purchasing sentiment is better YoY, and market concerns over debt issue of SOEs have been partly eased given progress on Vanke. Our scenario analysis shows a 70% chance of positive 2Q impact on the sector ([report](#)).

Therefore, we suggest to pay attention to:

- 1) Beneficiaries of the existing market: As an absolute market leader, KE Holdings (BEKE US) is likely to enjoy long-term benefits from naturally turnover lifting the secondary market, and its new businesses like renovation and leasing also set to gain momentum from the tailwind.
- 2) Developers with retail operation business, whose retail arm is like to be the earlier advantage taker of economic recovery, such as CR Land (1109 HK) and Longfor (960 HK).
- 3) Developers with high land-to-sales ratio and has ability to gain premium in product price
- 4) Property management companies with strong support from parentco. , such as Binjiang Services (3316 HK), Greentown Services (2869 HK), CR MixC (1209 HK), Poly PM (6049 HK), and Jinmao Services (3316 HK).etc.
- 5) Short-term wise, we also suggest to pay attention to defaulted developers who have good progress on credit recovery.

Risks: SOEs defaults, sharp decline in home purchase sentiment, share replacement, etc.

Valuation

Figure 15: Valuation comps – Developers

| Company | Ticker | Last Price | Mkt Cap | P/E (x) | | P/B (x) | | Net Profit Growth (%) | | | Payout ratio | Dividend Yield | |
|-------------------|-----------|------------|----------|---------|--------|---------|-------|-----------------------|-------|-------|--------------|----------------|------|
| | | (LC) | (USD mn) | 25E | 26E | 25E | 26E | 24E | 25E | 26E | 23A | 23A | 24E |
| CR Land | 1109.HK | 27.25 | 25,009 | 6.4 x | 5.8 x | 0.6 x | 0.6 x | (14.0) | 3.6 | 10.1 | 33% | 5.8% | 5.4% |
| COLI | 0688.HK | 14.90 | 20,989 | 6.0 x | 5.4 x | 0.4 x | 0.4 x | (8.6) | 6.8 | 11.0 | 31% | 5.4% | 4.6% |
| Poly Developments | 600048.SH | 8.71 | 14,535 | 11.4 x | 10.5 x | 0.5 x | 0.5 x | NA | NA | 8.0 | 41% | 4.7% | NA |
| CMSK | 001979.SZ | 9.65 | 12,189 | 13.6 x | 11.9 x | 0.7 x | 0.7 x | (36.1) | 59.5 | 14.4 | 49% | 3.3% | NA |
| China Jinmao | 0817.HK | 1.33 | 2,312 | 9.7 x | 7.3 x | 0.4 x | 0.4 x | 扭亏为盈 | 11.2 | 39.7 | NA | 1.1% | NA |
| Vanke-H | 2202.HK | 6.14 | 11,951 | NA | 21.0 x | 0.3 x | 0.3 x | 亏损450亿 | NA | NA | NA | NA | NA |
| Longfor | 0960.HK | 11.02 | 9,770 | 6.7 x | 5.3 x | 0.4 x | 0.4 x | (23.6) | 7.0 | 25.0 | 26% | 5.5% | 3.2% |
| C&D International | 1908.HK | 16.78 | 4,356 | 6.7 x | 6.0 x | 1.2 x | 0.0 x | (12.7) | 5.7 | 13.1 | 45% | 7.7% | 6.0% |
| Binjiang Group | 002244.SZ | 10.84 | 4,702 | 11.0 x | 10.2 x | 1.1 x | 1.0 x | 7.4 | 13.3 | 7.5 | 11% | 0.8% | 1.6% |
| Yuexiu | 0123.HK | 5.86 | 3,036 | 6.6 x | 5.7 x | 0.4 x | 0.0 x | (3.7) | 10.8 | 15.0 | 40% | 6.5% | 5.2% |
| Huafa | 600325.SH | 5.69 | 2,183 | 10.9 x | 9.7 x | 0.7 x | 0.6 x | NA | NA | NA | NA | NA | NA |
| Greentow n China | 3900.HK | 13.24 | 4,318 | 8.1 x | 8.7 x | 0.8 x | 0.7 x | 16.7 | 4.6 | (6.2) | 35% | 3.6% | 3.0% |
| Midea RE | 3990.HK | 3.29 | 608 | 0.0 x | 0.0 x | 0.0 x | 0.0 x | (36.1) | 50.8 | 27.4 | 49% | 10.9% | NA |
| COGO | 0081.HK | 2.08 | 953 | 5.5 x | 4.6 x | 0.0 x | 0.0 x | (24.2) | (6.9) | 11.1 | 22% | 8% | NA |
| Seazen | 601155.SH | 13.47 | 4,236 | 28.9 x | 23.3 x | 0.5 x | 0.5 x | 14.4 | 19.7 | 22.9 | NA | NA | NA |
| Average | | | | 8.2 x | 9.3 x | 0.5 x | 0.5 x | (9.5) | 10.7 | 11.1 | 29% | 4.2% | 2.7% |

Source: Company data, Wind, CMBIGM

Note: Data as of 18 Mar 2025

Figure 16: Valuation comps – Property Management

| Company | Ticker | Last Price | Mkt Cap | P/E (x) | | | Net Profit Growth (%) | | | Payout ratio | Dividend Yield | |
|-------------------------|-----------|------------|----------|---------|--------|--------|-----------------------|------|------|--------------|----------------|-------|
| | | (LC) | (USD mn) | 25E | 26E | 27E | 24E | 25E | 26E | 23A | 23A | 24E |
| CR MixC | 1209.HK | 34.50 | 10,135 | 17.8 x | 15.7 x | 0.0 x | 21.8 | 15.2 | 13.0 | 83% | 3.4% | 4.7% |
| Onew o | 2602.HK | 24.75 | 3,732 | 13.0 x | 11.4 x | 0.0 x | (8.6) | 15.5 | 13.9 | 66% | 4.9% | 6.6% |
| Country Garden Services | 6098.HK | 6.64 | 2,857 | 8.7 x | 8.3 x | 0.0 x | NA | 13.9 | 2.3 | 3.4 | 4.9% | 4.7% |
| Poly Services | 6049.HK | 32.65 | 2,325 | 9.7 x | 9.0 x | 9.0 x | 10.7 | 10.5 | 8.4 | 40% | 3.3% | 3.7% |
| COPH | 2669.HK | 5.51 | 2,329 | 9.8 x | 8.8 x | 0.0 x | 13.7 | 11.7 | 11.5 | 31% | 2.5% | 3.2% |
| China Merchant PO | 001914.SZ | 12.15 | 1,796 | 13.8 x | 12.3 x | 0.0 x | 10.7 | 11.9 | 12.9 | 30% | 2.0% | 2.2% |
| Greentow n Services | 2869.HK | 4.58 | 1,865 | 15.4 x | 13.1 x | 13.1 x | 19.7 | 19.7 | 17.4 | 70% | 3.2% | 3.8% |
| Sunac Services | 1516.HK | 1.69 | 665 | 6.2 x | NA | 0.0 x | NA | NA | NA | NA | 22.5% | 8.5% |
| Binjiang Services | 3316.HK | 24.65 | 877 | 10.2 x | 8.7 x | 8.8 x | 13.4 | 17.2 | 16.6 | 60% | 5.1% | 5.0% |
| Yuexiu Services | 6626.HK | 3.43 | 666 | 8.6 x | 7.4 x | 0.0 x | 15.6 | 16.9 | 15.3 | 50% | 4.9% | 5.7% |
| C&D FM | 2156.HK | 2.87 | 520 | 7.5 x | 6.5 x | 0.0 x | (10.3) | 21.2 | 15.4 | 67% | 8.9% | 8.0% |
| Ever Sunshine | 1995.HK | 2.16 | 480 | 6.8 x | 5.5 x | 0.0 x | 8.4 | 13.3 | 24.1 | 50% | 6.0% | 8.7% |
| S-Enjoy | 1755.HK | 3.09 | 346 | 5.0 x | 4.9 x | 0.0 x | 13.8 | 7.0 | 3.8 | 39% | 6.6% | 7.5% |
| Jinmao Services | 0816.HK | 3.08 | 358 | 6.2 x | 5.8 x | 5.8 x | 18.5 | 10.1 | 7.2 | 40% | 5.1% | 5.8% |
| New Hope Services | 3658.HK | 2.05 | 215 | 6.1 x | 5.5 x | 5.5 x | 9.4 | 11.9 | 11.7 | 60% | 7.9% | 8.7% |
| E-star CM | 6668.HK | 1.30 | 170 | 8.2 x | 8.0 x | 0.0 x | (10.4) | 15.0 | 11.9 | 70% | 9.6% | 8.6% |
| Average | | | | 13.0 x | 11.5 x | 0.0 x | 11.5 | 14.2 | 11.8 | 56% | 4.5% | 4.8% |
| BEKE-W | 2423.HK | 67.20 | 31,324 | 31.8 x | 25.9 x | 19.7 x | 0.9 | 23.6 | 18.1 | 74% | 2.0% | 1.2% |
| Greentow n Management | 9979.HK | 3.29 | 851 | 5.5 x | 5.0 x | 5.0 x | 3.0 | 8.8 | 8.1 | 80% | 16.3% | 13.4% |
| Average | | | | 27.9 x | 20.4 x | 16.2 x | 1.0 | 23.1 | 17.7 | 74.1% | 3.2% | 1.7% |

Source: Company data, Wind, CMBIGM

Note: Data as of 18 Mar 2025

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.