



Taking a look at the dividends of Chinese developers

Balance sheet concerns seem overdone; dividends and yields look good

Following recent pullbacks in share prices, we believe select Chinese developers are now offering attractive dividend yields even if we base them on the actual declared dividends in 2011. These include R&F (dividend yield of 8%), KWG (6.1%), Evergrande (5.6%), and CCRE (5.5%). In our view, these relatively high dividend yields should help provide downside support to share prices, while the expected pick-up in sales in 2Q12 should present positive share price catalysts.

Over half of the developers that we cover raised dividends in 2011

Despite the market's concerns on the financial position and refinancing ability of Chinese property names in 2011, in general they were able to declare growth in dividends in 2011, suggesting that the concerns on their financial position are likely overdone. On our analysis, in 2011, among the 25 China property companies that we monitor: 1) 13 developers delivered an increase in dividends (R&F, KWG, Evergrande, Country Garden, Yuexiu, Sunac, Sino Ocean, Shui On Land, Agile, COLI, Franshion, Longfor and China Vanke); 2) four maintained their dividends (Central China Real Estate, Shimao, C C land, and Minmetals Land); and 3) six cut dividends or had zero dividends: SOHO China, Glorious, Kaisa, Poly HK, Renhe and Yanlord.

R&F and Evergrande are offering good yields and good share price upside

Among the China property stocks with high dividend yields, we prefer R&F and Evergrande the most. R&F now trades at an 8% dividend yield. It has continued to strengthen its balance sheet (and brought down its net gearing from over 120% at end-2008 to just 86% at end-2011 even after acquiring six parcels of new land bank). This, together with a stable and comfortable dividend payout of about 40%, should help support a continuous and stable stream of dividends, in our view. On the other hand, Evergrande now trades at a 5.6% dividend yield, on a payout of just 25%.

Yanlord, Renhe and Poly HK's dividends in 2011 were disappointing

However, three developers, Yanlord, Renhe and Poly HK cut their dividends in 2011 to zero on rising net gearing and/or decelerating earnings momentum.

Overall gearing levels still comfortable, providing dividend support

At end-2011, the average net gearing of the HK-listed Chinese developers (as well as China Vanke) has risen from 38% at end-2010 to 58.4%, highlighting that net gearing for the sector has been trending up. However, the average net gearing level was still way below the average of 95% at end-2008.

Sector valuations are attractive, but be selective

The sector trades below NAV and at P/Es and P/Bs at or below the -1SD level, suggesting valuations still reflect a relatively bearish scenario (on financial distress and sales) that we think is unlikely to persist. Our top picks: 1) COLI, CR Land, and Longfor as they are long-term leaders in our view; 2) COGO and Evergrande for exposure to Tier-3/4 cities; 3) R&F and C C Land for turnaround in operations and financials. Our top Sells: Country Garden, Sino Ocean and Yanlord. We derive our target prices from NAV and DCF. Key risks: systemic financial distress, changes in the government's policy response.

Top picks	
COLI (0688.HK),HKD15.04	Buy
China Ovs Grand Oceans (0081.HK),HKD8.39	Buy
Poly HK (0119.HK),HKD3.68	Buy
Evergrande (3333.HK),HKD4.26	Buy
Longfor (0960.HK),HKD11.14	Buy

Companies Featured	
COLI (0688.HK),HKD15.04	Buy
China Ovs Grand Oceans (0081.HK),HKD8.39	Buy
Poly HK (0119.HK),HKD3.68	Buy
Evergrande (3333.HK),HKD4.26	Buy
Longfor (0960.HK),HKD11.14	Buy
Guangzhou R&F Prop (2777.HK),HKD9.36	Buy
C C Land (1224.HK),HKD1.60	Buy



Attractive yield plays exist

Selected Chinese developers are offering attractive dividend yields now, in our view

Despite the market's concern on the financial positions and refinancing ability of the Chinese property companies in 2011, the Chinese property companies in general were able to declare growth in dividends in 2011, suggesting that the market's concerns on financial positions are likely overdone. As a reference, based on our analysis, in 2011, among the 25 China property companies under our monitoring:

1) 13 developers delivered an increase in dividends: R&F, KWG, Evergrande, Country Garden, Yuexiu, Sunac, Sino Ocean, Shui On Land, Agile, COLI, Franshion, Longfor, and China Vanke;

2) 4 developers maintained their dividends: Central China Real Estate, Shimao, C C land, and Minmetals Land; and

3) 6 developers cut their dividends or have zero dividends: SOHO China, Glorious, Kaisa, Poly HK, Renhe, and Yanlord.

Figure 1: China Property – DPS and Dividend yield

Company Name	RIC Code	DPS Curr	DPS				Dividend Yield (based on Mar 30, 2012 share price)			
			2008	2009	2010	2011	2008	2009	2010	2011
R&F	2777.HK	CNY	0.28	0.36	0.50	0.60	3.7%	4.8%	6.7%	8.0%
KWG	1813.HK	CNY	0.03	0.05	0.11	0.22	0.8%	1.4%	3.0%	6.1%
Evergrande	3333.HK	CNY	-	0.01	0.13	0.19	0.0%	0.2%	3.8%	5.6%
Central China	0832.HK	CNY	0.10	0.06	0.08	0.08	6.5%	4.0%	5.5%	5.5%
SOHO China	0410.HK	CNY	0.10	0.20	0.26	0.25	2.2%	4.4%	5.7%	5.5%
Country Garden	2007.HK	CNY	0.03	0.05	0.10	0.13	1.2%	1.9%	4.0%	5.4%
Shimao	0813.HK	HKD	0.11	0.29	0.40	0.40	1.4%	3.5%	4.8%	4.8%
Yuexiu	0123.HK	HKD	0.03	0.08	-	0.07	1.9%	5.0%	0.0%	4.5%
Sunac	1918.HK	CNY	-	-	-	0.08	0.0%	0.0%	0.0%	4.2%
Sino-Ocean	3377.HK	HKD	0.09	0.09	0.13	0.15	2.4%	2.4%	3.5%	4.1%
Shui On	0272.HK	HKD	0.07	0.13	0.11	0.13	2.2%	4.1%	3.5%	4.0%
Agile	3383.HK	HKD	0.34	0.18	0.29	0.34	3.7%	2.0%	3.2%	3.8%
C C Land	1224.HK	HKD	0.02	0.03	0.04	0.04	1.3%	1.9%	2.5%	2.5%
COLI	0688.HK	HKD	0.13	0.20	0.27	0.33	0.9%	1.4%	1.8%	2.2%
Franshion	0817.HK	HKD	0.02	0.03	0.03	0.04	1.0%	1.3%	1.3%	2.0%
Longfor	0960.HK	CNY	-	0.06	0.10	0.18	0.0%	0.7%	1.1%	2.0%
CR Land	1109.HK	HKD	0.12	0.24	0.31	0.26	0.9%	1.8%	2.3%	1.9%
China Vanke	200002.SZ	CNY	0.05	0.07	0.10	0.13	0.7%	0.9%	1.3%	1.7%
Minmetals	0230.HK	HKD	-	-	0.01	0.01	0.0%	0.0%	1.1%	1.1%
COGO	0081.HK	HKD	0.06	0.02	0.10	0.05	0.7%	0.2%	1.2%	0.6%
Glorious	0845.HK	CNY	-	0.03	-	-	0.0%	3.0%	0.0%	0.0%
Kaisa	1638.HK	CNY	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Poly HK	0119.HK	HKD	0.02	0.04	0.16	-	0.6%	1.2%	4.3%	0.0%
Renhe	1387.HK	CNY	0.08	0.09	0.07	-	17.4%	21.0%	16.5%	0.0%
Yanlord	YNLG.SI	CNY	0.06	0.08	0.06	-	1.0%	1.2%	0.9%	0.0%
Average							2.0%	2.7%	3.1%	3.0%

Source: Company, Deutsche Bank



Following the recent pullbacks in the share prices, selected Chinese developers are now offering attractive dividend yields even if we just base on the actual declared dividend in 2011. These include R&F (dividend yield of 8%), KWG (6.1%), Evergrande (5.6%), and Central China Real Estate (5.5%).

Among these 4 stocks with high dividend yields, we prefer R&F and Evergrande. For R&F, it has continued to strengthen its balance sheet (and brought down its net gearing from over 120% at end-2008 to just 86% at end-2011 even after acquiring 6 parcels of new landbank). This improving financial position, together with a stable and comfortable dividend payout of about 40%, should help support a continuous and stable stream of dividend, in our view.

Figure 2: China Property – Dividend Payout

Company Name	RIC Code	Dividend Payout (Based on reported EPS)				Dividend Payout (Based on Core EPS)			
		2008	2009	2010	2011	2008	2009	2010	2011
R&F	2777.HK	29%	40%	37%	40%	44%	57%	48%	44%
KWG	1813.HK	21%	19%	25%	30%	18%	15%	26%	34%
Evergrande	3333.HK	0%	9%	25%	25%	0%	34%	35%	33%
Central China	0832.HK	30%	30%	31%	28%	30%	31%	31%	17%
SOHO China	0410.HK	131%	31%	37%	33%	131%	61%	38%	91%
Country Garden	2007.HK	36%	34%	37%	37%	22%	40%	37%	38%
Shimao	0813.HK	50%	32%	35%	30%	37%	40%	43%	38%
Yuexiu	0123.HK	38%	173%	0%	15%	138%	nm	0%	70%
Sunac	1918.HK	0%	0%	0%	10%	0%	0%	0%	10%
Sino-Ocean	3377.HK	32%	30%	34%	40%	38%	45%	45%	48%
Shui On	0272.HK	20%	27%	23%	23%	15%	42%	85%	51%
Agile	3383.HK	26%	39%	20%	35%	66%	39%	32%	28%
C C Land	1224.HK	nm	nm	39%	34%	nm	nm	nm	36%
COLI	0688.HK	20%	22%	18%	18%	27%	25%	23%	21%
Franshion	0817.HK	14%	18%	13%	16%	16%	20%	21%	22%
Longfor	0960.HK	0%	12%	12%	14%	0%	16%	20%	20%
CR Land	1109.HK	26%	27%	26%	18%	30%	39%	37%	25%
China Vanke	200002.SZ	14%	14%	15%	15%	11%	16%	15%	15%
Minmetals	0230.HK	0%	0%	5%	5%	0%	0%	11%	5%
COGO	0081.HK	201%	nm	11%	4%	64%	nm	15%	5%
Glorious	0845.HK	0%	8%	0%	0%	0%	12%	0%	0%
Kaisa	1638.HK	0%	0%	0%	0%	0%	0%	0%	0%
Poly HK	0119.HK	16%	15%	28%	0%	34%	22%	42%	0%
Renhe	1387.HK	70%	48%	43%	0%	71%	48%	60%	0%
Yanlord	YNLG.SI	10%	10%	6%	0%	17%	15%	11%	0%
Average		33%	28%	21%	19%	34%	28%	28%	26%

Source: Company, Deutsche Bank



Overall gearing levels still comfortable, hence providing dividend support

At end-2011, the average net gearing of the HK-listed Chinese developers (plus China Vanke) have increased from 38% at end-2010 to 58.4%, highlighting that net gearing for the sector have been trending up. However, this average net gearing level was still way below the average of 95% at end-2008, suggesting that the overall gearing positions of these listed developers are still manageable.

Among the different developers, C C Land, Central China Real Estate, China Vanke, COGO, COLI, Longfor, Minmetals Land, and SOHO China still have low net gearing levels, which should allow them to pursue counter-cyclical landbank expansions in 2012, hence presenting NAV growth potentials.

On the other hand, Shimaos, Poly HK and Sunac had net gearing of over 90% at end-2011. In our view, these high net gearing levels would likely raise market concerns about the financial positions of these companies and at the same time would likely limit the ability of these companies to acquire new landbank despite the more attractive land prices in China. This would likely limit the growth potential for these companies in the next 2-3 years.

Figure 3: China Property – FY11 Review: Net gearing trend

Company Name	Reuters Code	Currency mn	Net Gearing			
			2008	2009	2010	2011
Agile	3383.HK	RMB	37.3%	42.3%	53.9%	67.8%
C C Land	1224.HK	HKD	11.8%	-8.8%	-11.7%	2.7%
Central China	0832.HK	RMB	-8.3%	-2.5%	31.7%	31.7%
China Vanke	200002.SZ	RMB	40.2%	23.9%	21.7%	30.5%
COGO	0081.HK	HKD	41.4%	43.6%	0.7%	22.9%
COLI	0688.HK	HKD	46.9%	-0.5%	22.9%	33.3%
Country Garden	2007.HK	RMB	31.8%	44.1%	41.4%	57.2%
CR Land	1109.HK	HKD	50.5%	19.6%	54.9%	75.2%
Evergrande	3333.HK	RMB	103.2%	-1.6%	54.3%	72.0%
Franshion	0817.HK	HKD	41.2%	54.6%	21.2%	48.2%
Glorious	0845.HK	RMB	662.9%	7.0%	53.7%	68.7%
Kaisa	1638.HK	RMB	181.8%	42.3%	30.6%	76.7%
KWG	1813.HK	RMB	54.6%	48.4%	47.7%	62.7%
Longfor	0960.HK	RMB	288.4%	20.3%	43.6%	43.0%
Minmetals	0230.HK	HKD	-0.7%	-26.2%	11.8%	34.0%
Poly HK	0119.HK	HKD	59.8%	2.5%	62.6%	102.7%
R&F	2777.HK	RMB	123.2%	97.6%	94.4%	85.9%
Shimao	0813.HK	RMB	66.5%	55.9%	76.2%	93.4%
Shui On	0272.HK	RMB	28.6%	24.4%	46.2%	68.4%
Sino-Ocean	3377.HK	RMB	35.5%	14.2%	45.6%	60.0%
SOHO China	0410.HK	RMB	-40.6%	-5.6%	-36.9%	-4.0%
Sunac	1918.HK	RMB	319.0%	53.6%	31.0%	109.3%
Yanlord	YNLG.SI	RMB	59.7%	2.5%	49.3%	82.0%
Yuexiu	0123.HK	RMB	41.9%	53.2%	64.7%	77.2%
Average			94.9%	25.2%	38.0%	58.4%

Source: Company, Deutsche Bank



Figure 4: China Property – FY11 Review: Cost of financing and debt structure

Company Name	RIC Code	Currency mn	Net Gearing	Average Cost of Debt	Debt structure						
					Domestic Bank loans	HK bank loans	Bonds	High-Yield	CB	Trust Loans	Others
Agile	3383.HK	RMB	68%	8.3%	35%	17%	0%	27%	10%	12%	0%
C C Land	1224.HK	HKD	3%	5.2%	65%	35%	0%	0%	0%	0%	0%
Central China	0832.HK	RMB	32%	9.7%	30%	0%	0%	34%	10%	9%	16%
China SCE	1966.HK	RMB	69%	10.9%	58%	1%	0%	38%	0%	0%	3%
China Vanke	200002.SZ	RMB	30%	8.6%	44%	9%	12%	0%	0%	28%	8%
COGO	0081.HK	HKD	23%	4.7%	63%	29%	0%	0%	0%	0%	8%
COLI	0688.HK	HKD	33%	3.4%	22%	54%	24%	0%	0%	0%	0%
Country Garden	2007.HK	RMB	57%	7.2%	47%	1%	0%	49%	3%	0%	0%
CR Land	1109.HK	HKD	75%	3.6%	41%	59%	0%	0%	0%	0%	0%
Evergrande	3333.HK	RMB	72%	9.6%	83%	0%	0%	17%	0%	14%	0%
Franshion	0817.HK	HKD	48%	6.3%	51%	28%	20%	0%	0%	0%	1%
Glorious	0845.HK	RMB	69%	12.8%	87%	0%	0%	13%	0%	0%	0%
Kaisa	1638.HK	RMB	77%	11.9%	40%	7%	15%	29%	9%	0%	0%
KWG	1813.HK	RMB	63%	8.9%	63%	10%	0%	27%	0%	0%	0%
Longfor	0960.HK	RMB	43%	7.5%	59%	15%	6%	20%	0%	0%	0%
Minmetals	0230.HK	HKD	34%	5.1%	7%	43%	0%	0%	0%	0%	48%
Poly HK	0119.HK	HKD	103%	9.8%	96%	4%	0%	0%	0%	0%	0%
R&F	2777.HK	RMB	86%	6.5%	71%	0%	19%	9%	0%	0%	0%
Renhe	1387.HK	RMB	25%	12.1%	25%	0%	0%	75%	0%	0%	0%
Shimao	0813.HK	RMB	93%	7.9%	68%	14%	0%	17%	0%	0%	0%
Shui On	0272.HK	RMB	68%	8.2%	27%	39%	0%	26%	9%	0%	0%
Sino-Ocean	3377.HK	RMB	60%	6.7%	62%	8%	8%	0%	0%	23%	0%
SOHO China	0410.HK	RMB	-4%	6.4%	85%	0%	0%	0%	15%	0%	0%
Sunac	1918.HK	RMB	109%	10.8%	84%	0%	0%	0%	0%	10%	5%
Yanlord	YNLG.SI	RMB	82%	7.0%	53%	16%	0%	23%	8%	0%	0%
Yuexiu	0123.HK	RMB	77%	6.0%	66%	31%	3%	0%	0%	0%	0%
Average			58%	7.9%	55%	16%	4%	16%	2%	4%	3%

Source: Company, Deutsche Bank

Taking a look at bond yields of Chinese developers

While the share prices of the China property companies have shown weaknesses recently, the Chinese developers' bonds market has continued to show rerating as can be seen from the yield compressions and bond price increases for the China property companies.

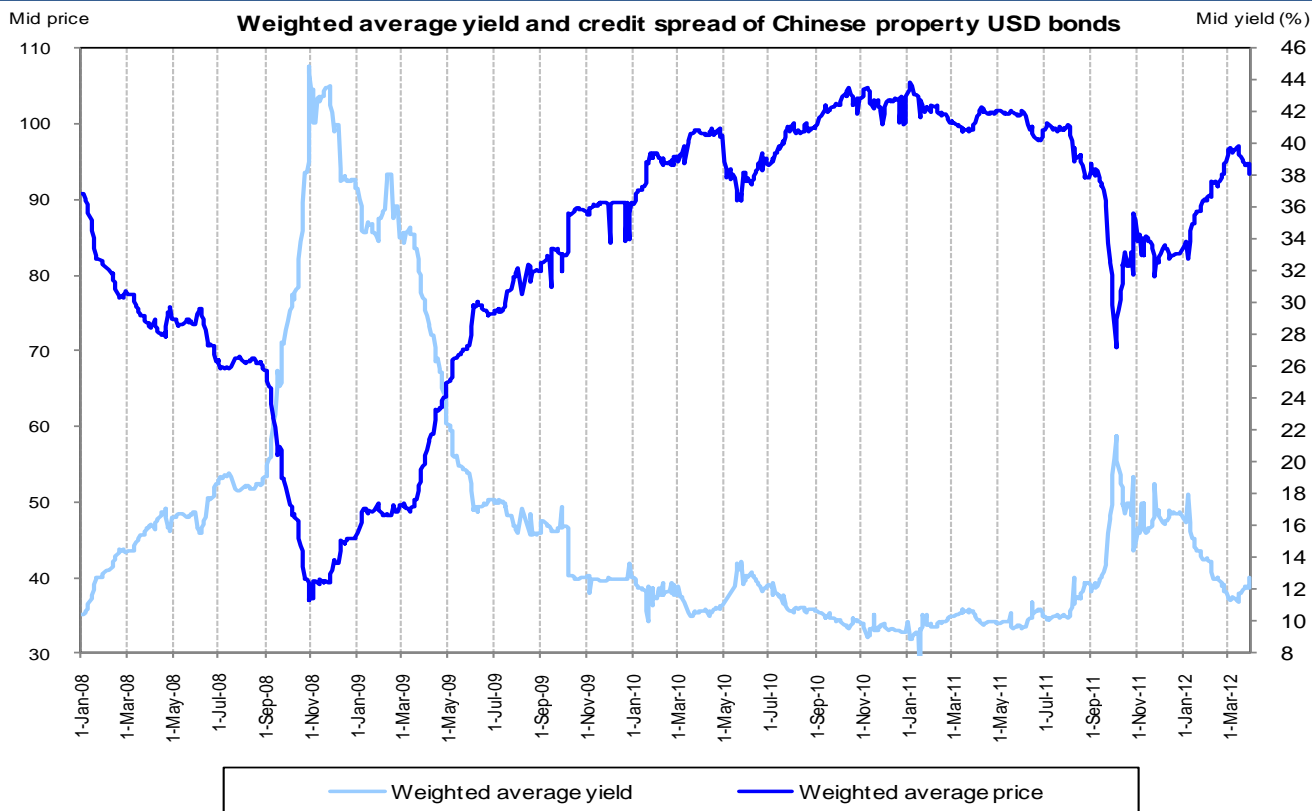
In our view, this suggests that there is a disconnect between the bond market and the equity market for the Chinese developers. In addition, the compressing bond yields make the higher-dividend-yielding stocks, like R&F and Evergrande, more interesting.

We believe that, following the significant yield compression witnessed in the high-yield bond market over the past few months, the financing channel in the bond market has already reopened. This effectively helps to ease financing pressure for developers as well as lower borrowing costs. We believe registration of good take-up rates in recent bond issuances is a good illustration that fixed income investors are increasingly comfortable with developers' financial positions.



As there are now clearer signs suggesting that financial distress among developers is unlikely to happen, we do expect to see narrowing in NAV discounts for share prices ahead.

Figure 5: China property bond price and yield trend



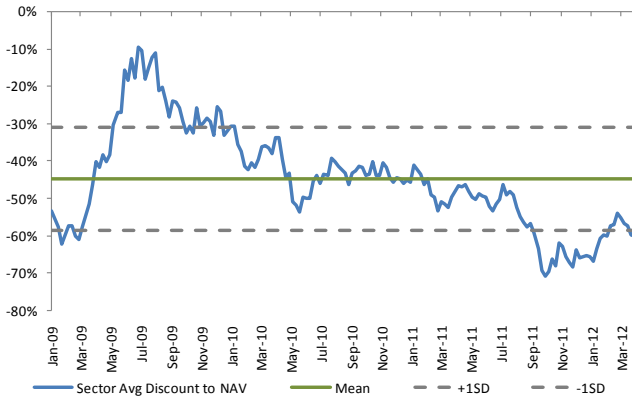
Source: Deutsche Bank

For any further information on Chinese developers' bonds, please contact our fixed income analyst, Ms. Jacphanie Cheung, at +852-2203-5930 or jacphanie.cheung@db.com.



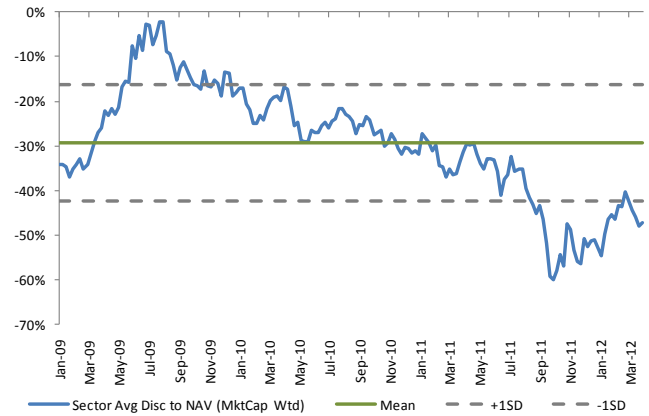
Taking a look at valuations

Figure 6: Sector Discount to NAV



Source: Deutsche Bank

Figure 7: Sector Discount to NAV (MktCap Weighted)



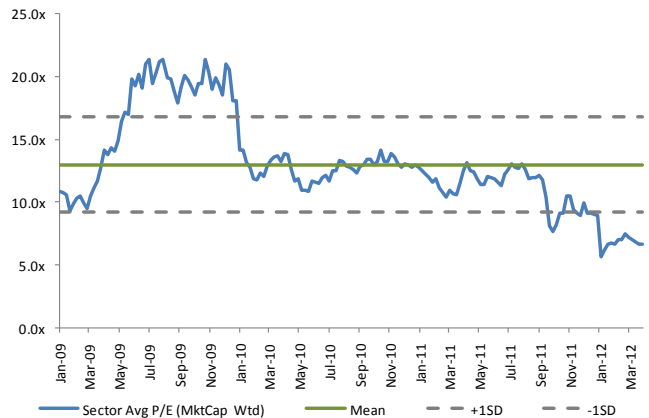
Source: Deutsche Bank

Figure 8: Sector PE



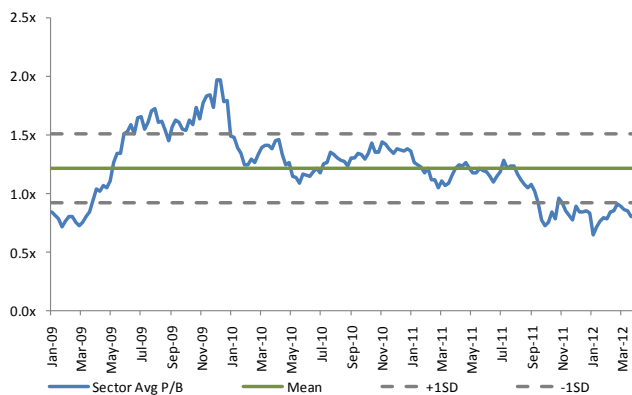
Source: Deutsche Bank

Figure 9: Sector PE (MktCap Weighted)



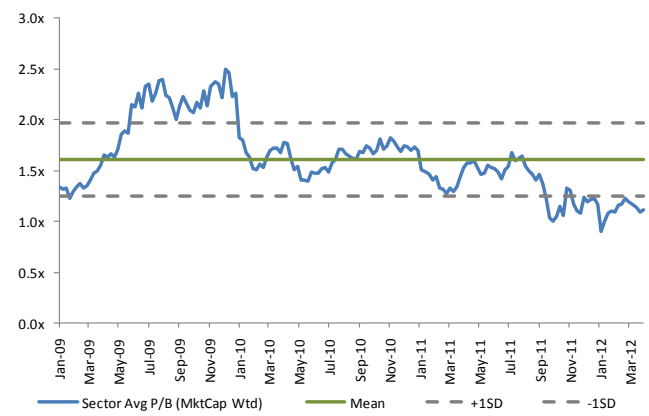
Source: Deutsche Bank

Figure 10: Sector PB



Source: Deutsche Bank

Figure 11: Sector PB (MktCap Weighted)



Source: Deutsche Bank



Figure 12: China property – valuation table

Company	Ticker	DB Rating	Trade Ccy	Report Ccy	Mkt Cap USDm	12M Daily T/O USDm	Apr 2 Price	Target Price	Implied Upside	Est. NAV	NAV Disc	EPS			PE(x)		
												10A	11A	12F	10A	11A	12F
Covered																	
COLI	688 HK	Buy	HKD	HKD	15,829	58.57	15.04	23.68	57%	26.30	-43%	1.16	1.59	2.04	12.9	9.4	7.4
China Vanke - A	000002 CH	Buy	CNY	CNY	14,293	63.24	8.28	12.33	49%	13.70	-40%	0.66	0.88	0.91	12.5	9.5	9.1
China Vanke - B	200002 CH	Buy	HKD	CNY	14,293	3.19	9.21	13.18	43%	14.66	-37%	0.64	0.88	0.87	11.7	8.5	8.6
CR Land	1109 HK	Buy	HKD	HKD	9,995	25.62	13.32	21.80	64%	27.25	-51%	0.85	1.03	1.37	15.7	13.0	9.7
Country Garden	2007 HK	Sell	HKD	CNY	6,937	10.20	3.10	1.78	-43%	4.49	-31%	0.16	0.35	0.37	16.0	7.2	6.8
Evergrande	3333 HK	Buy	HKD	CNY	8,170	48.54	4.26	8.30	95%	10.37	-59%	0.51	0.76	0.73	6.8	4.6	4.8
Longfor	960 HK	Buy	HKD	CNY	7,395	9.36	11.14	16.00	44%	20.00	-44%	0.62	0.87	1.07	14.5	10.3	8.4
Agile	3383 HK	Buy	HKD	CNY	4,065	19.15	9.15	12.50	37%	17.82	-49%	1.04	1.49	1.56	7.1	5.0	4.7
SOHO China	410 HK	Buy	HKD	CNY	3,769	6.46	5.64	7.31	30%	9.75	-42%	0.68	0.27	0.56	6.7	16.7	8.2
R&F	2777 HK	Buy	HKD	CNY	3,884	11.11	9.36	17.18	84%	28.63	-67%	1.05	1.36	1.86	7.2	5.6	4.1
Hui Xian REIT	87001 HK	Buy	CNY	CNY	3,080	6.34	3.87	4.63	20%	6.61	-41%	0.21	0.11	0.21	18.7	35.3	18.1
Sino-Ocean	3377 HK	Sell	HKD	CNY	2,647	4.85	3.63	3.63	0%	9.07	-60%	0.41	0.38	0.48	7.2	7.7	6.2
Renhe	1387 HK	Buy	HKD	CNY	1,443	10.40	0.53	1.68	217%	2.24	-76%	0.13	0.02	0.08	3.4	27.8	5.5
Franshion	817 HK	Buy	HKD	HKD	2,383	1.98	2.02	3.55	76%	5.08	-60%	0.12	0.18	0.30	17.3	11.2	6.8
Shui On	272 HK	Buy	HKD	CNY	2,363	2.70	3.15	5.01	59%	8.35	-62%	0.15	0.27	0.35	17.2	9.5	7.3
Poly HK Inv	119 HK	Buy	HKD	HKD	1,710	10.99	3.68	10.95	198%	13.68	-73%	0.34	0.68	0.94	11.0	5.4	3.9
Yanlord	YLLG SP	Sell	SGD	CNY	1,957	6.82	1.26	1.18	-6%	2.15	-41%	0.65	0.44	0.54	9.7	14.5	11.7
Yuexiu	123 HK	Buy	HKD	CNY	1,818	3.38	1.52	3.04	100%	4.35	-65%	0.04	0.12	0.29	33.3	10.1	4.3
COGO	81 HK	Buy	HKD	HKD	1,644	2.66	8.39	12.98	55%	16.22	-48%	0.65	1.05	1.62	13.0	8.0	5.2
Glorious	845 HK	Buy	HKD	CNY	1,204	3.59	1.20	4.51	276%	7.51	-84%	0.20	0.22	0.43	4.8	4.4	2.2
KWG	1813 HK	Buy	HKD	CNY	1,721	5.61	4.62	7.26	57%	10.37	-55%	0.52	0.64	0.87	7.1	5.8	4.3
Kaisa	1638 HK	Buy	HKD	CNY	1,004	2.71	1.59	4.00	152%	6.72	-76%	0.29	0.32	0.40	4.5	4.0	3.2
Sunac	1918 HK	Buy	HKD	CNY	885	0.93	2.29	5.21	128%	8.69	-74%	0.62	0.80	0.91	3.0	2.3	2.0
C C Land	1224 HK	Buy	HKD	HKD	524	1.69	1.60	4.59	187%	9.17	-83%	(0.02)	0.11	0.27	NA	14.4	5.8
Central China	832 HK	Buy	HKD	CNY	588	0.28	1.88	4.05	115%	6.74	-72%	0.27	0.30	0.57	5.6	5.1	2.7
E-House	EJ US	Buy	USD	USD	456	2.70	5.80	9.50	64%	NA	NA	0.82	(0.11)	0.50	7.1	NA	11.5
Minmetals	230 HK	Buy	HKD	HKD	391	0.42	0.91	2.68	195%	3.6	-75%	0.2	0.2	0.4	4.8	5.0	2.5
Not Rated																	
Shimao	813 HK	NR	HKD	CNY	3,656	16.53	8.19	NA	NA	NA	NA	1.1	1.3	1.3	6.2	5.1	5.2
NWCL	917 HK	NR	HKD	HKD	2,182	1.03	1.96	NA	NA	NA	NA	0.5	0.2	0.3	4.0	8.9	7.2
Mingfa	846 HK	NR	HKD	CNY	1,629	0.94	2.08	NA	NA	NA	NA	0.1	0.1	0.1	18.8	20.8	11.6
Hopson	754 HK	NR	HKD	HKD	1,013	1.83	4.53	NA	NA	NA	NA	1.3	1.2	1.1	3.5	3.9	4.3
Shenzhen Inv	604 HK	NR	HKD	HKD	789	1.46	1.69	NA	NA	NA	NA	0.2	0.3	0.3	10.5	5.5	5.5
Greentown	3900 HK	NR	HKD	CNY	1,054	1.60	4.99	NA	NA	NA	NA	0.7	1.3	1.6	5.9	3.2	2.6
Yuzhou	1628 HK	NR	HKD	CNY	529	0.11	1.71	NA	NA	NA	NA	0.3	0.4	0.3	4.4	3.6	4.3
BJ North Star	588 HK	NR	HKD	CNY	607	0.16	1.40	NA	NA	NA	NA	0.1	0.3		10.9	3.3	NA
Powerlong	1238 HK	NR	HKD	CNY	735	0.55	1.41	NA	NA	NA	NA	0.3	0.8	0.3	4.5	1.3	4.1
Fantasia	1777 HK	NR	HKD	CNY	577	0.55	0.86	NA	NA	NA	NA	0.1	0.2	0.2	6.7	3.0	3.6
Aoyuan	3883 HK	NR	HKD	CNY	381	0.18	1.13	NA	NA	NA	NA	0.1	0.2		7.4	5.3	NA
Zhong An	672 HK	NR	HKD	CNY	299	0.08	0.98	NA	NA	NA	NA	0.1	0.1	0.1	8.9	11.3	11.3
BC Land	2868 HK	NR	HKD	CNY	285	0.85	2.17	NA	NA	NA	NA	0.4	0.5	0.6	4.1	3.7	3.2
SPG Land	337 HK	NR	HKD	CNY	211	0.14	1.56	NA	NA	NA	NA	0.4	0.6	0.4	3.1	2.2	3.5
Overall average											-58%			9.3 8.4 6.1			

Source: Deutsche Bank, Company, Bloomberg Finance LP Consensus estimates for companies NR



Figure 13: China property – valuation table (cont'd)

Company	Ticker	EPS growth %			BVPS			PB(x)			DPS			Dividends yield %			Net gearing %		
		10A	11A	12F	10A	11A	12F	10A	11A	12F	10A	11A	12F	10A	11A	12F	10A	11A	12F
Covered																			
COLI	688 HK	45.8	37.0	28.3	6.7	8.6	10.3	2.2	1.7	1.5	0.27	0.33	0.36	1.8	2.2	2.4	22.9	33.3	7.7
China Vanke - A	000002 CH	49.6	32.2	4.1	4.0	4.8	5.5	2.1	1.7	1.5	0.10	0.13	0.17	1.2	1.6	2.1	21.7	30.5	22.2
China Vanke - B	200002 CH	43.9	37.4	-0.7	4.0	4.8	5.3	1.9	1.5	1.4	0.10	0.13	0.17	1.3	1.7	2.3	21.7	30.5	22.2
CR Land	1109 HK	40.4	21.1	33.2	8.5	10.4	11.5	1.6	1.3	1.2	0.31	0.26	0.26	2.3	2.0	2.0	56.3	62.3	61.4
Country Garden	2007 HK	16.9	123.3	5.7	1.4	1.7		1.8	1.4	NA	0.10	0.13	0.11	3.8	5.2	4.4	41.4	57.2	41.3
Evergrande	3333 HK	584.1	50.0	-4.2	1.4	2.2	2.6	2.5	1.6	1.3	0.15	0.23	0.29	4.4	6.6	8.3	52.5	67.5	60.4
Longfor	960 HK	16.2	40.7	22.3	3.1	4.3	5.1	2.9	2.1	1.8	0.10	0.18	0.21	1.1	1.9	2.4	43.0	40.9	41.8
Agile	3383 HK	99.7	43.0	4.9	5.4	6.3	7.7	1.4	1.2	1.0	0.29	0.34	0.31	3.9	4.6	4.2	53.9	67.8	15.6
SOHO China	410 HK	107.7	-59.5	103.8	3.7	4.2	4.3	1.2	1.1	1.1	0.26	0.25	0.26	5.7	5.5	5.7	-36.9	-4.0	-13.1
R&F	2777 HK	67.0	29.9	36.1	6.1	7.0	8.4	1.2	1.1	0.9	0.50	0.60	0.65	6.6	7.9	8.6	94.4	85.9	77.8
Hui Xian REIT	87001 HK	-3.2	-46.9	95.6	2.7	5.2	5.1	1.5	0.7	0.8		0.15	0.25	0.0	3.8	6.5	0.0	-3.2	1.3
Sino-Ocean	3377 HK	76.5	-6.5	25.4	5.5	6.3	7.1	0.5	0.5	0.4	0.13	0.15	0.16	4.4	5.1	5.4	45.9	64.3	61.6
Renhe	1387 HK	-34.2	-87.8	406.6	0.8	1.0	1.1	0.5	0.4	0.4	0.07	-	-	16.8	0.0	0.0	-0.2	25.0	16.7
Franshion	817 HK	-4.7	54.3	65.9	2.5	2.9	3.1	0.8	0.7	0.6	0.03	0.04	0.05	1.5	2.0	2.5	21.3	48.7	32.7
Shui On	272 HK	-68.4	81.7	29.4	4.8	5.4	5.7	0.5	0.5	0.4	0.11	0.13	0.13	4.3	4.9	5.1	45.2	68.4	68.5
Poly HK Inv	119 HK	71.3	101.5	39.7	6.1	6.8	7.9	0.6	0.5	0.5	0.16	-	-	4.2	0.0	0.0	62.6	102.7	52.8
Yanlord	YLLG SP	6.4	-33.2	23.3	6.7	7.6	8.1	0.9	0.8	0.8	0.01	-	0.02	0.2	0.0	0.3	32.6	50.6	52.0
Yuexiu	123 HK	NA	229.8	137.2	1.7	2.2	2.4	0.7	0.6	0.5	-	0.07	0.07	0.0	5.7	5.7	64.7	77.2	51.1
COGO	81 HK	NA	62.4	54.7	3.5	3.4	5.0	2.4	2.5	1.7	0.10	0.05	0.10	1.2	0.6	1.2	0.7	22.9	-105.1
Glorious	845 HK	8.7	10.9	94.9	1.9	2.2	2.6	0.5	0.4	0.4	-	-	0.07	0.0	0.0	7.2	53.7	68.7	-9.0
KWG	1813 HK	58.5	22.5	34.5	4.0	4.7	5.4	0.9	0.8	0.7	0.06	0.06	0.06	1.6	1.6	1.6	47.7	62.7	-32.2
Kaisa	1638 HK	184.7	11.8	26.1	2.0	2.4	2.8	0.6	0.5	0.5	-	-	-	0.0	0.0	0.0	30.6	76.6	69.9
Sunac	1918 HK	138.7	29.2	12.7	2.3	2.4	4.2	0.8	0.8	0.4	-	0.08	-	0.0	4.2	0.0	31.0	109.3	19.1
C C Land	1224 HK	NA	NA	147.8	4.8	5.1	5.4	0.3	0.3	0.3	0.04	0.04	0.05	2.5	2.5	3.1	-3.5	2.7	13.1
Central China	832 HK	38.8	9.8	92.1	3.6	3.7	3.9	0.4	0.4	0.4	0.08	0.08	0.14	5.4	5.4	9.2	47.1	31.7	-16.4
E-House	EJ US	-35.6	NA	NA	11.1	7.9	7.8	0.5	0.7	0.7	0.25	0.15	0.15	4.3	2.6	2.6	-61.1	-62.3	-57.9
Minmetals	230 HK	225.0	-4.4	95.2	2.1	1.9	2.3	0.4	0.5	0.4	0.0	0.0	0.0	1.1	1.1	1.1	11.8	34.0	-123.0
Not Rated																			
Shimao	813 HK	65.5	21.2	-1.4	7.5	8.7	9.5	0.9	0.8	0.7	0.4	0.4	0.4	4.9	4.9	4.4	76.2	93.4	97.6
NWCL	917 HK	60.3	-55.0	24.1	6.3	6.5	5.2	0.3	0.3	0.4	0.1	0.1	0.1	3.6	3.6	3.2	25.1	NA	21.0
Mingfa	846 HK	-8.4	-9.5	79.0	0.9	1.0	1.3	1.8	1.8	1.3	0.1	0.1	0.0	4.4	3.0	2.6	47.0	NA	NA
Hopson	754 HK	37.3	-9.6	-9.2	21.8	20.5	22.0	0.2	0.2	0.2	0.2	0.2	0.2	3.8	3.5	3.6	55.3	42.5	49.0
Shenzhen Inv	604 HK	15.4	91.8	-1.0	3.8	4.0	4.5	0.4	0.4	0.4	0.1	0.1	0.1	8.3	8.0	7.1	48.4	NA	NA
Greentown	3900 HK	8.1	84.0	23.8	6.2	7.2	8.3	0.6	0.6	0.5	0.5	0.3	0.3	11.4	6.5	7.6	212.2	295.2	NA
Yuzhou	1628 HK	43.1	24.4	-17.9	1.9		2.2	0.7	NA	0.6	0.1		0.0	6.6	NA	3.5	45.1	NA	NA
BJ North Star	588 HK	-46.6	233.8	NA	3.8	4.1		0.3	0.3	NA	0.0	0.0		1.8	2.6	NA	55.4	NA	NA
Powerlong	1238 HK	-33.4	236.2	-67.2	2.7		3.9	0.4	NA	0.3	0.1	0.1	0.1	5.2	6.4	5.9	31.9	NA	NA
Fantasia	1777 HK	17.7	120.7	-16.5	0.9	1.1	1.3	0.8	0.6	0.5	0.0	0.0	0.0	4.8	4.7	6.7	69.0	71.4	NA
Aoyuan	3883 HK	72.2	39.9	NA	2.3			0.4	NA	NA	0.0			3.6	NA	NA	21.4	NA	NA
Zhong An	672 HK	-5.4	-21.6	0.0	2.0	2.5	1.8	0.4	0.3	0.4	-			0.0	NA	NA	38.1	NA	NA
BC Land	2868 HK	139.1	9.4	18.7	2.6	3.3	3.6	0.7	0.5	0.5	0.2		0.2	10.2	NA	12.6	27.0	87.9	104.0
SPG Land	337 HK	158.1	44.0	-37.6	4.2	4.8	5.4	0.3	0.3	0.2	0.1	0.0	0.0	5.1	1.9	1.8	98.5	NA	NA
Overall average		59.8	40.1	42.1				1.0	0.9	0.7				3.8	3.4	4.0	40.2	57.0	22.6

Source: Deutsche Bank, Company, Bloomberg Finance LP

Consensus estimates for companies NR



Appendix 1

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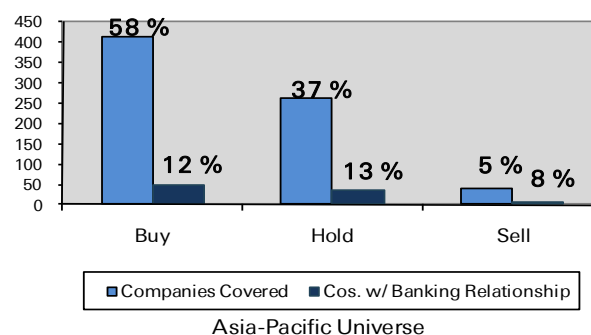
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