



## This Week in China

### How does population support the development of cities

#### Comments:

We observe the population attractiveness of key cities across the country from the indicators including the number of primary school students, which objectively reflect the mid-to-long-term population changes, the number of college students, which is a leading indicator of economic vitality, and the number of permanent population, which a broader demographic indicator. **In terms of the number of primary school students**, Wuhan and Xi'an have a relatively high CAGR in the past five years. Xi'an is more attractive to the population of the northwest, due to an important node city for the expansion of the west.

**In terms of the number of college students**, Jinan, Zhengzhou, and Hefei have ranked high in CAGR in the past five years. Jinan and Zhengzhou are all located in populated provinces. The growth of college students is mainly due to the endogenous growth in the province. **In terms of permanent population**, Ji'nan, Zhuhai, and Shenzhen have ranked high in CAGR in the past five years. Where Zhuhai has maintained its GDP growth rate at the forefront of Guangdong Province in recent years, except for its relatively low base.

**On the whole, in addition to the first-tier cities, the central and western single-core provincial capital cities with industry support have the potential for population growth.** We can see that first-tier cities and new first-tier cities have used the development of advantageous industries to attract population. In addition to Beijing and Shanghai, which objectively restrict population inflow due to settlement thresholds, Shenzhen, Hangzhou, and Zhuhai, which have relatively loose settlement policies and grant talent subsidies, are attractive. At the same time, the capitals of central and western provinces, especially single-core provincial capitals such as Xi'an, Wuhan, Changsha, etc., have a strong siphonic effect on the population of other cities in the province and surrounding cities on the premise that they have a certain industrial foundation and can accommodate new entrants. Ji'nan, Zhengzhou and other single-core provincial capitals located in the most populous provinces have a relatively high population growth rate because they can attract a large population flow in the province. Therefore, we suggest that while paying attention to traditional first-tier and new first-tier cities, the central and western single-core provincial capital cities with industry support are expected to further grow in industrial and economic development under the population influx.

#### Data points:

As of July 17, the transaction area of new houses in 42 major cities this week increased by 2% year-on-year. In 2020, the cumulative transaction area decreased by 12% year-on-year. The cumulative transaction area in first-, second- and third-tier cities decreased by 20%, 6%, and 16% year-on-year. This week, the saleable area (inventory) of 13 major cities decreased by 15% year-on-year; the average sale cycle was 6.9 months, a year-on-year decrease of 18%. This week, the construction area of second-hand housing transactions in 15 major cities increased by 13% year-on-year, and the cumulative transaction area in 2020 decreased by 10% year-on-year.

#### Suggestion:

In terms of weekly data, the construction area of new and second-hand housing transactions in key cities continued to improve. In terms of monthly and cumulative data, the Bureau of Statistics released data on house prices and development investment in June: number of cities with rising house price continued to increase in June compared with the previous month. And the cumulative growth rate of real estate development investment turned positive for the first time. Maintain "overweight" rating.

**Overweight**

(Maintain)

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# 1. How does population support the development of cities

## 1.1 The number of pupils in school-objectively reflects the mid- to long-term population changes

Since the primary education penetration rate in my country's major cities is 100%, the statistics of the number of primary school students are relatively accurate, and it can also objectively reflect the medium and long-term population trends.

**The compound annual growth rate of the number of pupils in some central and western provincial capital cities is relatively high.** We selected data on the number of primary school students in major cities in China in the past five years, and calculated the compound annual growth rate. We found that the top cities are Wuhan, Changsha, Xi'an and other central and western capital cities, showing that they are developing in the metropolitan area and have high energy levels. Driven by the spillover of urban industries, the attractiveness of the population continues to increase. Among the first-tier cities, Beijing and Shanghai rank relatively low due to the difficulty of settlement in recent years, while Shenzhen ranks higher, showing that the relatively low threshold for settlement and the development of emerging technology industries such as the Internet have continued to be attractive to the population. The single-core provincial capital cities such as Shijiazhuang and Zhengzhou have become transportation hubs in the province with the help of high-speed rail. The strong siphon effect has also increased the population attractiveness of other cities in the province.

**Industrial transfer has a strong effect on the influx of population in the capital cities of central and western provinces.** With the help of national policies such as the Yangtze River Economic Belt and Western Development in recent years, the population attractiveness of some key cities in the central and western regions has increased. As provincial capital cities, Wuhan and Changsha use high-speed rail and other transportation channels to attract the population of other low-tier cities in the province. On the other hand, they use existing industrial foundations, relatively low labor costs and advantageous geographic locations to become high-level cities for industrial transfer. "The first stop". As the capital city with the highest GDP in the five northwestern provinces, Xi'an is highly attractive to the population of the northwest, and is an important node city for the eastern economy to drive the development of the west and extend to the west. The population inflow is expected to be further enhanced in the future.

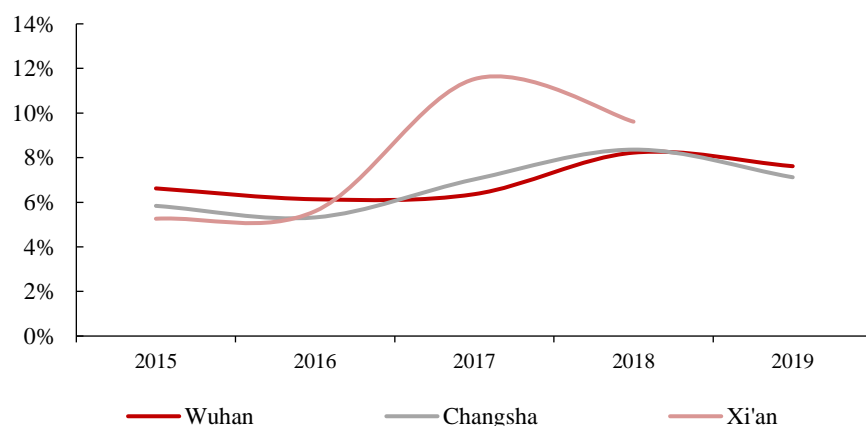


**Figure 1: The number of primary school students in Wuhan has a high compound annual growth rate (unit: ten thousand people)**

City	2014	2019	Compound annual growth rate
Wuhan	44.5	62.3	7.0%
Changsha	48.1	66.7	6.7%
Xi'an	53.8	73.1(2018)	6.3%
Guiyang	31.7	42.7	6.2%
Shenzhen	79.3	106.9	6.1%
Xiamen	26.0	34.8	6.0%
Nanjing	33.9	44.7	5.6%
Shijiazhuang	72.1	94.2	5.5%
Zhengzhou	75.1	96.8	5.2%
Haikou	17.1	21.9	5.1%
Chengdu	132.5	102.9(2018)	4.7%
Hefei	44.2	54.9	4.4%
Hangzhou	50.3	61.7	4.2%
Guangzhou	90.0	110.5	4.2%
Tianjin	57.3	70.2	4.1%
Fuzhou	49.9	58.9	3.4%
Beijing	82.1	94.2	2.8%
Nanchang	39.7	42.8	1.5%
Kunming	48.3	51.3	1.2%
Ningbo	48.3	50.4	0.9%
Chongqing	203.4	209.5(2018)	0.6%
Shanghai	80.3	80.0(2018)	-0.1%

Source: National Bureau of Statistics, CWSI

**Figure 2: The population of primary school students in Xi'an has increased rapidly in recent years**



Source: National Bureau of Statistics, CWSI

## **1.2 Number of college students in school-a leading indicator of economic vitality**

**The number of college students is a leading indicator of economic vitality.** Since part of the college student population will be transformed into local employment population after graduation, if there is a certain talent policy in the locality, it will further increase the retention rate of students at school and bring certain economic vitality, so it has a certain leading significance for economic development.

**Population base and industrial base affect the attractiveness of college students.** We selected data on the number of college students in major cities in China in the past five years, and calculated the compound annual growth rate, and found that the top cities are Jinan, Zhengzhou, Hefei, etc. Among them, Jinan and Zhengzhou are both located in populous provinces. The number of college students is mainly derived from the endogenous growth. As the provincial capital of Anhui Province, Hefei has been driven by the integrated development of the Yangtze River Delta in recent years, and its economic development has improved, coupled with its emphasis on science and education. The degree is improved, and the attraction to college students is relatively enhanced. Among the first-tier cities, Shenzhen, as a city with relatively low threshold for settlement and subsidies for talent settlement, is highly attractive to college students. In recent years, the vigorous introduction of higher education resources has resulted in a relatively high growth rate of the number of college students, and the industrial foundation is mainly the Internet. In the tertiary industry, there are relatively more job opportunities, and the retention rate after graduation from ordinary universities is relatively high. At the same time, the lower threshold for settlement and talent subsidies also increase the attractiveness of graduates from neighboring provinces and cities, which is expected to provide Shenzhen with a relatively stable economy. Vitality support.

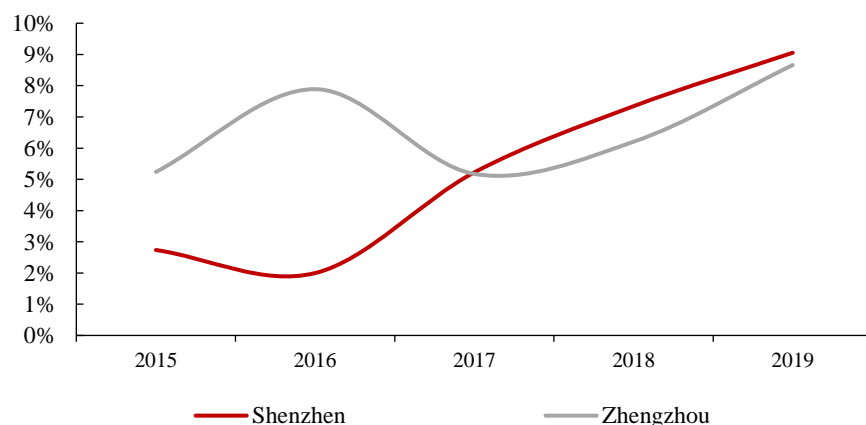


**Figure 3: The number of college students in Ji'nan and Zhengzhou has a higher compound annual growth rate (unit: 10,000 people)**

City	2014	2019	Compound annual growth rate
Ji'nan	52.5	76.2	7.7%
Zhengzhou	78.3	107.9	6.6%
Hefei	46.3	63.3	6.5%
Ningbo	15.1	20.6	6.4%
Shenzhen	8.8	11.3	5.2%
Changsha	54.8	66.6	4.0%
Guiyang	34.2	41.1	3.8%
Chongqing	69.2	76.3(2018)	3.0%
Nanchang	55.4	63.0	2.6%
Guangzhou	101.9	115.3	2.5%
Haikou	12.7	13.9	1.8%
Hangzhou	47.5	51.9	1.8%
Tianjin	50.6	52.3(2018)	1.3%
Fuzhou	32.1	34.0	1.2%
Kunming	59.0	62.3	1.1%
Nanjing	70.2	73.5	0.9%
Wuhan	96.2	100.7	0.9%
Shanghai	50.5	51.8	0.5%
Xiamen	17.3	17.4	0.1%
Beijing	60.5	59.5(2018)	-0.1%
Xi'an	75.8 (2015)	73.9	-0.6%

Source: National Bureau of Statistics, CWSI

**Figure 4: The population of college students in Shenzhen has increased rapidly in recent years**



Source: National Bureau of Statistics, CWSI

### 1.3 Permanent population-a wide range of demographic

#### indicators

According to the definition of the National Bureau of Statistics, the permanent population refers to the population that often lives in a certain area, usually refers to the population who often lives at home or at home for more than 6 months throughout the year. The statistical scope is relatively wide, and it can reflect the area more than the registered population. Population and changes. The statistical method is based on the population census and population sample survey. The accuracy during the random inspection period is relatively poor, but it can still be used as an observation indicator to reflect the support of the population and evaluate the economic productivity.

**Industrial and economic development are important indicators for judging the growth of permanent population.** We selected the permanent population data of major cities in China in the past five years (excluding the larger cities with incomplete data), and calculated the compound annual growth rate, and found that the top cities are Jinan, Zhuhai, Shenzhen, etc. Among them, **Zhuhai** has a relatively fast growth rate. In addition to its relatively low base, its GDP has grown rapidly in recent years, and it has continued to maintain the forefront of Guangdong Province. At the same time, 1) Transportation: Zhuhai is a transportation hub city on the west bank of the Pearl River Estuary, connecting multiple counties City; As a coastal city, it has 8 national first-class ports, giving full play to the advantages of the port industry; the construction of the Hong Kong-Zhuhai-Macao Bridge will create a Hong Kong-Zhuhai-Macao one-hour living circle, and the city's strategic position will be further improved. 2) Industry: In recent years, Zhuhai has taken home appliances, petrochemicals, and power energy as its main industries, and focused on the development of electronic information, advanced equipment manufacturing, and leisure tourism. In the future, driven by the strategic planning of the Guangdong-Hong Kong-Macao Greater Bay Area, Zhuhai With the hope of continuing to optimize the layout of manufacturing and high-tech industries, and attracting preferential policies for enterprises and talents in Hengqin New District, the attractiveness of the population will be further enhanced. **Jinan** has a rapid growth rate. On the one hand, it has a certain industrial foundation and can accommodate a larger population. On the other hand, as a provincial capital city, it attracts the population of nearby cities. Its surrounding areas such as Zibo, Dezhou, Binzhou and Tai'an are all out of population. More areas. As a first-tier city, **Shenzhen** has a lower threshold for settlement and a strong economic vitality. It is highly attractive to the population and its permanent population is growing rapidly. At the same time, it can be seen from the entire table that, as mono-core provincial capital cities with certain industrial and economic foundations, especially the central and western provinces, they are more attractive to other cities in the province, and their permanent population growth performance is better. Among the lower-ranking cities, Beijing and Shanghai are mainly due to stricter population settlement restrictions, while other cities such as Panzhihua, Taizhou, and Dalian are mainly due to the relatively weak industrial foundation, especially the tertiary industry, which is not attractive to



the population. Strong, leading to slower or even negative growth in the permanent population.

**Figure 5: The compound annual growth rate of permanent residents in Jinan and Zhuhai is relatively high (unit: 10,000 people)**

City	2014	2019	Compound annual growth rate
Ji'nan	706.8	890.9	4.7%
Zhuhai	161.4	202.4	4.6%
Shenzhen	1,077.9	1,343.9	4.5%
Xi'an	862.8	1,020.4	3.4%
Guangzhou	1,308.1	1,530.6	3.2%
Hangzhou	889.2	1,036.0	3.1%
Chengdu	1,442.8	1,658.1	2.8%
Changsha	731.2	839.5	2.8%
Xiamen	381.0	429.0	2.4%
Foshan	735.1	815.9	2.1%
Ningbo	781.1	854.2	1.8%
Guiyang	455.6	497.1	1.8%
Wuhan	1,033.8	1,121.2	1.6%
Yinchuan	212.9	229.3	1.5%
Nanchang	524.0	560.1	1.3%
Hefei	769.6	818.9	1.2%
Nanning	691.4	734.5	1.2%
Fangchenggang	90.8	96.4	1.2%
Zhongshan	319.3	338.0	1.1%
Haikou	220.1	232.8	1.1%
Jiaxing	457.0	480.0	1.0%
Qingdao	904.6	950.0	1.0%
Fuzhou	743.0	780.0	1.0%
Liuzhou	388.7	407.8	1.0%
Kunming	662.6	695.0	1.0%
Chongqing	2,991.4	3,124.3	0.9%
Huzhou	293.0	306.0	0.9%
Xining	229.1	238.7	0.8%
Zhangzhou	496.0	516.0	0.8%
Guilin	491.9	511.2	0.8%
Shijiazhuang	1,061.6	1,103.1	0.8%
Quanzhou	844.0	874.0	0.7%
Hohhot	303.1	313.7	0.7%
Nanjing	821.6	850.0	0.7%
Lanzhou	366.5	379.1	0.7%
Huizhou	472.7	488.0	0.6%
Tianjin	1,516.8	1,561.8	0.6%
Mianyang	473.9	487.7	0.6%
Jiangmen	451.1	463.0	0.5%
Zhoushan	114.6	117.6	0.5%
Xiangtan	281.3	288.2	0.5%
Taizhou	601.5	615.0	0.4%
Putian	285.0	291.0	0.4%
Shaoxing	495.6	505.7	0.4%
Zhuzhou	396.1	402.9	0.3%
Yangzhou	447.8	454.9	0.3%
Dongguan	834.3	846.5	0.3%
Deyang	351.1	356.1	0.3%
Wuxi	650.0	659.2	0.3%
Suzhou	1,060.4	1072.2(2018)	0.2%
Zhenjiang	317.1	320.4	0.2%
Changzhou	469.6	473.6	0.2%
Urumqi	353.0	355.2	0.1%
Shenyang	828.7	832.2	0.1%
Nantong	729.8	731.8	0.1%
Dalian	698.4	700(2018)	0.05%
Shanghai	2,425.7	2,428.1	0.02%
Beijing	2,151.6	2,153.6	0.02%
Taizhou	463.9	463.6	-0.01%
Panzhihua	123.2	121.4	-0.3%

Source: National Bureau of Statistics, CWSI





## **1.4 Other than the first-tier cities, the central and western single-core provincial capitals have the potential for population growth**

**The single-core central and western provincial capital cities with industry support have the potential for population growth.** By observing the three indicators of the number of primary school students, the number of college students, and the resident population, we can see that first-tier cities and new first-tier cities use the development of advantageous industries to attract populations. In addition to Beijing and Shanghai, which objectively restrict population inflows due to the threshold for settlement, Populations such as Shenzhen and Hangzhou with looser settlement policies and talent subsidies are more attractive. At the same time, the capitals of central and western provinces, especially single-core provincial capitals such as Xi'an, Wuhan, Changsha, etc., have a strong siphonic effect on the population of other cities in the province and surrounding cities on the premise that they have a certain industrial foundation and can accommodate new entrants. At the same time, with the support of national policies, such cities have also become the first stop of industrial migration in the eastern economically developed cities, which will further bring in population inflows and support economic development. Jinan, Zhengzhou and other single-core provincial capitals located in the most populous provinces have a relatively high population growth rate because they can attract a large population flow in the province. Therefore, we suggest that while paying attention to traditional first-tier and new first-tier cities, the central and western mono-core provincial capital cities with industry support are expected to further grow in industrial and economic development under the support of population influx.



**Figure 6: Supported by multiple advantages, the attractiveness of the population is expected to be further enhanced**

Representative city	Political advantage	Scientific research advantage	Industry/economic advantage
Shenzhen	Lower barriers to settlement, talent subsidies, etc. in first-tier cities	Vigorously introduce higher education resources, Sun Yat-sen University Shenzhen campus, Chinese University of Hong Kong (Shenzhen), Shenzhen Beili Moscow University, etc. have successively settled	Leading by emerging technology industries such as Tencent, DJI, and Huawei
Xi'an	Western Development, One Belt One Road, lower threshold for settlement, talent subsidies, etc.	Xi'an Jiaotong University, Northwestern Polytechnical University, Xidian University and many other famous universities	The provincial capital cities with the highest GDP in the five northwestern provinces are important node cities where the eastern economy drives the western development and extends to the west.
Wuhan	One Belt One Road, Yangtze River Economic Belt, comprehensive innovation and reform pilot zone, low threshold for settlement, talent subsidies, etc.	Huazhong University of Science and Technology, Wuhan University, Wuhan University of Technology and other universities and research institutes are rich in resources	Wuhan Iron and Steel and Baosteel have completed the reorganization, and emerging industries represented by information technology, biomedicine, and intelligent manufacturing have risen strongly
Hefei	Integration of the Yangtze River Delta, lower threshold for settlement, talent subsidies, etc.	Scientific research support of University of Science and Technology of China, Hefei University of Technology and other universities	Leading advantage in the new energy automobile industry represented by Weilai; the world's largest flat panel display base; artificial intelligence industry represented by iFLYTEK
Zhuhai	Guangdong-Hong Kong-Macao Greater Bay Area development plan, lower threshold for settlement, talent subsidies, etc.	Vigorously introduce higher education resources, Sun Yat-sen University Zhuhai Campus, Beijing Institute of Technology Zhuhai Campus, Jilin University Zhuhai Campus, etc. have successively settled	The construction of the Hong Kong-Zhuhai-Macao Bridge will create a Hong Kong-Zhuhai-Macao one-hour living circle, and the city's strategic position will be further improved; focus on the development of electronic information, advanced equipment manufacturing, home appliance manufacturing



			and other industries represented by Gree and Jinshan
Jinan	Integration of Jiaodong Economic Circle, lower threshold for settlement, talent subsidies, etc.	Shandong University, Shandong University of Finance and Economics and many other established universities	Located in a province with a large population, it has strong agglomeration power to surrounding areas with large population outflows such as Zibo, Dezhou, Binzhou and Tai'an; the software and information service industries represented by Inspur and Shensi Electronics have outstanding industrial advantages

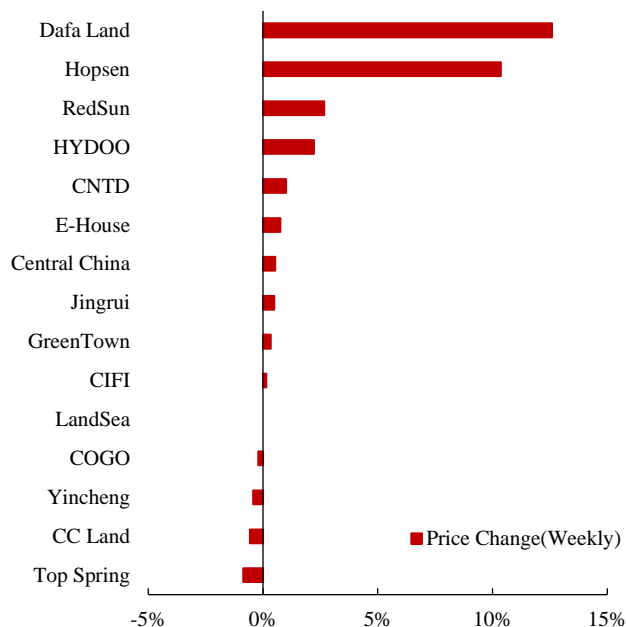
Source: Various government websites, Sina Finance, Wind, CWSI

## 2. Sector Performance

### 2.1 Performance of developer sector

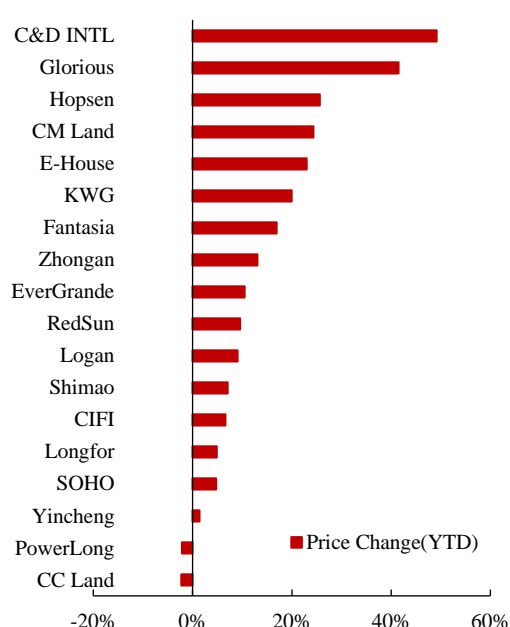
This week, Dafa Land, Hopsen and RedSun had larger price increase than peers. C&D INTL, Glorious, and Hopsen had better share price performance, YTD.

**Figure 7: This week, Dafa Land, Hopsen and RedSun had larger price increase than peers**



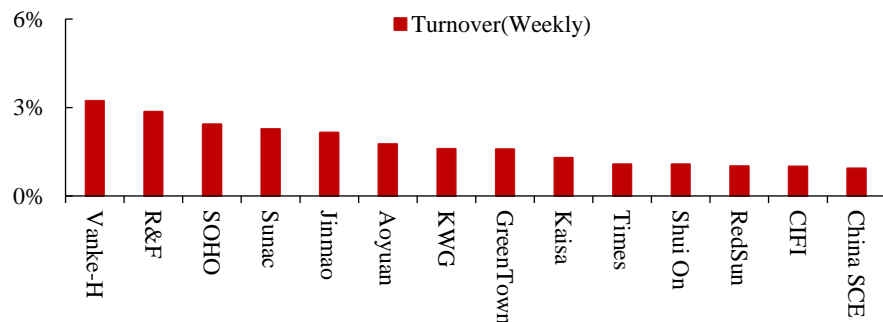
Source: Wind, CWSI Research

**Figure 8: C&D INTL, Glorious, and Hopsen had better share price performance, YTD**



Source: Wind, CWSI Research

**Figure 9: Vanke-H, R&F and SOHO were most actively traded this week**

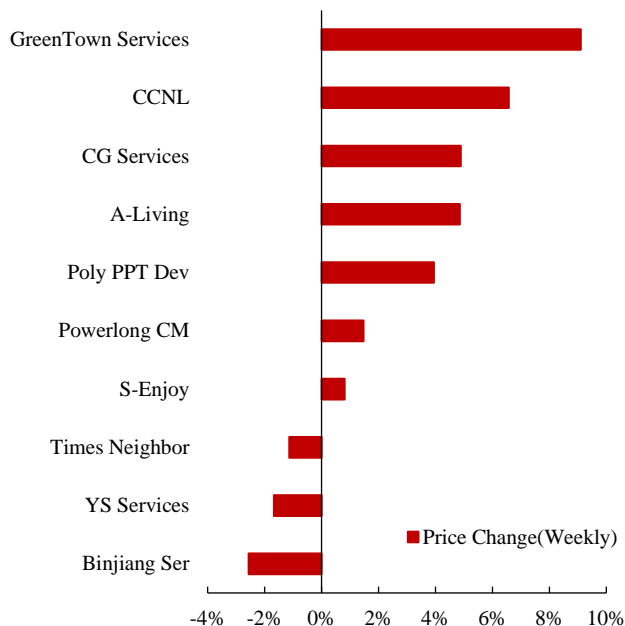


Source: Wind, CWSI Research

## 2.2 Performance of property service sector

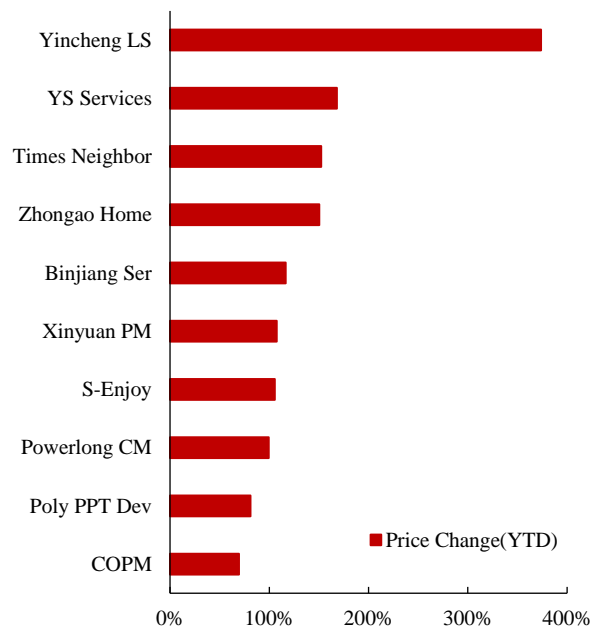
This week, GreenTown Services, CCNL and CG Services had better share price performance than peers. Yincheng LS, YS Services and Times Neighborhood had better share price performance YTD.

**Figure 10: This week, GreenTown Services, CCNL and CG Services had better share price performance than peers**



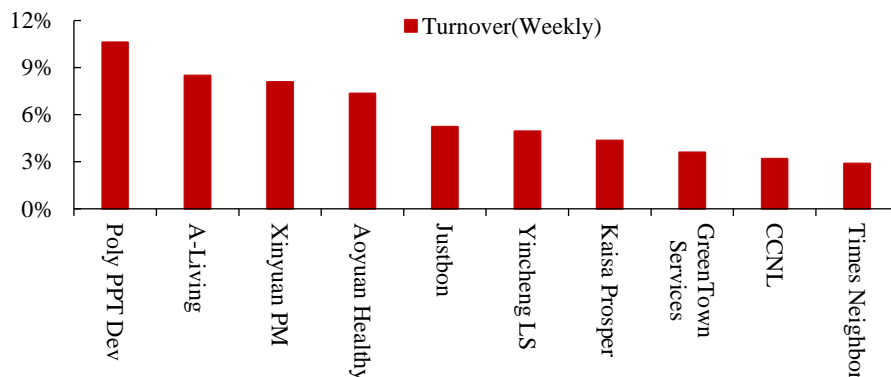
Source: Wind, CWSI Research

**Figure 11: Yincheng LS, YS Services and Times Neighborhood had better share price performance YTD**



Source: Wind, CWSI Research

**Figure 12: Poly PPT Dev, A-Living and Xinyuan PM were most actively traded this week**



Source: Wind, CWSI Research



## 3. Major cities transaction performance

### 3.1 New house transaction data

Figure 13: Major cities new house transactions volume decreased YoY this week

City & Region	Last 7 days				Last 30 days				Month to date		Year to date	
	sqm	wow	previous period	yoy	sqm 000	mom	yoy		sqm 000	yoy	sqm 000	yoy
Beijing	137,639	↓-1%	124,441	↑11%	626	↑12%	↓-8%		346	↓-14%	2,979	↓-25%
Shanghai	261,300	↑14%	224,100	↑17%	1,194	↓-5%	↓-9%		592	↓-6%	5,798	↓-23%
Guangzhou	195,948	↑11%	147,083	↑33%	1,033	↑19%	↑4%		464	↑34%	4,032	↓-17%
Shenzhen	94,535	↓0%	75,043	↑26%	349	↓-1%	↑10%		227	↑22%	1,888	↓-1%
<b>Tier 1</b>	<b>689,423</b>	<b>↑8%</b>	<b>570,667</b>	<b>↑21%</b>	<b>3,202</b>	<b>↑5%</b>	<b>↓-3%</b>		<b>1,629</b>	<b>↑4%</b>	<b>14,697</b>	<b>↓-20%</b>
<b>Tier 2</b>	<b>2,717,996</b>	<b>↓21%</b>	<b>2,724,137</b>	<b>↓0%</b>	<b>14,067</b>	<b>↑11%</b>	<b>↑15%</b>		<b>7,783</b>	<b>↑14%</b>	<b>57,919</b>	<b>↓-6%</b>
<b>Tier 3</b>	<b>1,905,968</b>	<b>↓15%</b>	<b>1,915,436</b>	<b>↓0%</b>	<b>11,115</b>	<b>↑1%</b>	<b>↑4%</b>		<b>5,272</b>	<b>↓-6%</b>	<b>50,593</b>	<b>↓-16%</b>
Beijing	137,639	↓-1%	124,441	↑11%	626	↑12%	↓-8%		346	↓-14%	2,979	↓-25%
Qingdao	374,894	↑12%	281,112	↑33%	1,711	↑14%	↑33%		869	↑21.8%	7,343	↑5%
Dongying	99,710	↑31%	31,641	↑215%	399	↓-25%	↑90%		219	↑143%	1,983	↑112%
<b>PBR</b>	<b>612,243</b>	<b>↑12%</b>	<b>437,194</b>	<b>↑40%</b>	<b>2,736</b>	<b>↑5%</b>	<b>↑26%</b>		<b>1,433</b>	<b>↑19%</b>	<b>12,305</b>	<b>↑3%</b>
Shanghai	261,300	↑14%	224,100	↑17%	1,194	↓-5%	↓-9%		592	↓-6%	5,798	↓-23%
Nanjing	255,609	↑12%	304,817	↓-16%	941	↑1%	↓-7%		722	↑2%	4,830	↑21%
Hangzhou	182,159	↓53%	115,788	↑57%	1,195	↑9%	↑53%		676	↑39%	4,875	↑19%
Suzhou	169,721	↓17%	272,447	↓-38%	1,955	↑21%	↑86%		475	↓-21%	6,278	↑10%
Wuxi	108,100	↓40%	151,600	↓-29%	559	↓-5%	↓-10%		287	↑5%	2,782	↓-25%
Yangzhou	73,762	↓13%	57,223	↑29%	261	↑24%	↑10%		182	↑42%	1,130	↓-17%
Jiangyin	58,642	↑40%	67,755	↓-13%	323	↓-22%	↓-2%		120	↓-18%	1,445	↓-9%
Wenzhou	162,242	↓-7%	208,553	↓-22%	1,976	↑16%	↑65%		488	↓-18%	6,253	↓-6%
Jinhua	58,421	↓60%	32,874	↑78%	399	↑55%	↑117%		281	↑210%	1,205	↑15%
Changzhou	55,913	↓20%	54,155	↑3%	341	↑7%	↓-38%		161	↓-43%	1,568	↓-52%
Huaian	77,802	↓23%	87,700	↓-11%	444	↓-8%	↓-1%		231	↓-5%	2,276	↓-17%
Lianyungang	149,531	↓15%	128,038	↑17%	672	↑11%	↑17%		414	↑24%	3,143	↓-2%
Shaoxing	44,634	↓69%	30,273	↑47%	315	↓-4%	↑59%		213	↑118%	1,347	↑2%
Zhenjiang	114,090	↓21%	118,887	↓-4%	647	↑6%	↑4%		351	↑15%	3,032	↓-26%
Wuhu	41,256	↓-4%	47,470	↓-13%	211	↑6%	↓-16%		115	↓-28%	949	↓-4%
Zhoushan	20,072	↓-6%	18,321	↑10%	127	↓-18%	↑4%		54	↑13%	697	↑7%
Chizhou	12,043	↓40%	19,330	↓-38%	76	↓-1%	↓-37%		43	↓-34%	455	↓-37%
Ningbo	176,012	↓50%	106,947	↑65%	1,116	↑27%	↑56%		769	↑155%	3,940	↓-5%
<b>YRD</b>	<b>2,034,670</b>	<b>↓26%</b>	<b>2,085,521</b>	<b>↓-2%</b>	<b>12,954</b>	<b>↑6%</b>	<b>↑20%</b>		<b>6,215</b>	<b>↑8%</b>	<b>54,803</b>	<b>↓-9%</b>
Guangzhou	195,948	↑11%	147,083	↑33%	1,033	↑19%	↑4%		464	↑34%	4,032	↓-17%
Shenzhen	94,535	↓0.1%	75,043	↑26%	349	↓-1%	↑10%		227	↑22%	1,888	↓-1%
Fuzhou	38,776	↓48%	43,223	↓-10%	174	↑14%	↓-23%		136	↑17%	1,029	↓-27%
Dongguan	155,312	↑7%	106,115	↑46%	882	↑52%	↑53%		355	↑35%	2,835	↑8%
Quanzhou	61,283	↑5%	103,890	↓-41%	254	↓-23%	↓-30%		135	↓-34%	1,193	↓-37%
Putian	16,233	↓50%	34,587	↓-53%	166	↓-2%	↓-52%		64	↓-62%	825	↓-28%
Huizhou	56,607	↓14%	47,417	↑19%	417	↑72%	↑55%		149	↓-3%	1,287	↓-9%
Shaoguan	31,904	↓22%	25,992	↑23%	165	↓-15%	↑28%		90	↑39%	893	↑9%
Foshan	235,202	↑3%	264,365	↓-11.0%	1,303	↑6%	↓-5%		591	↓-14%	5,900	↓-24%
Jiangmen	18,686	↑11%	23,854	↓-22%	122	↓-13%	↓-11%		47	↓-50%	624	↑16%
Zhaoqing	48,563	↓11%	30,824	↑58%	244	↑7%	↑18%		126	↑32%	1,159	↑6%
<b>PRD &amp; Southern China</b>	<b>953,049</b>	<b>↓-4%</b>	<b>940,516</b>	<b>↑1%</b>	<b>5,110</b>	<b>↑14%</b>	<b>↓0%</b>		<b>2,384</b>	<b>↓-4%</b>	<b>21,940</b>	<b>↓-17%</b>
Changchun	174,752	↑3%	192,420	↓-9%	844	↑6%	↓-17%		430	↓-23%	3,899	↓-29%
Taian	55,010	↓22%	60,687	↓-9%	258	↓-2%	↑3%		159	↑2%	1,081	↓-19%
<b>Northern China</b>	<b>229,762</b>	<b>↓-4%</b>	<b>253,107</b>	<b>↓-9%</b>	<b>1,102</b>	<b>↑4%</b>	<b>↓-13%</b>		<b>589</b>	<b>↓-17%</b>	<b>4,980</b>	<b>↓-27%</b>
Wuhan	553,347	↓-6%	513,086	↑8%	2,247	↑64%	↓-20%		1,385	↓-2%	6,367	↓-42%
Yueyang	66,745	↓28%	32,541	↑105%	282	↑36%	↑54%		178	↑70%	1,104	↑10%
Ganzhou	159,505	↓10%	119,274	↑34%	666	↓-15%	↓-4%		390	↑8%	4,070	↓-13%
<b>Central China</b>	<b>779,598</b>	<b>↓-9%</b>	<b>664,901</b>	<b>↑17%</b>	<b>3,194</b>	<b>↑35%</b>	<b>↓-14%</b>		<b>1,954</b>	<b>↑4%</b>	<b>11,540</b>	<b>↓-30%</b>
Chengdu	495,133	↓-6%	458,134	↑8%	1,979	↓-23%	↑2%		1,357	↑19%	11,279	↑7%
Nanning	208,933	↓47%	370,867	↓-44%	1,308	↓-3%	↑10%		753	↓-8%	6,361	↓-18%
<b>Western China</b>	<b>704,066</b>	<b>↓24%</b>	<b>829,001</b>	<b>↓-15%</b>	<b>3,287</b>	<b>↓-16%</b>	<b>↑5%</b>		<b>2,110</b>	<b>↑8%</b>	<b>17,640</b>	<b>↓-4%</b>
<b>Total</b>	<b>5,313,387</b>	<b>↓16%</b>	<b>5,210,239</b>	<b>↑2%</b>	<b>28,384</b>	<b>↑7%</b>	<b>↑8%</b>		<b>14,684</b>	<b>↑5%</b>	<b>123,209</b>	<b>↓-12%</b>

Source: Local governments, CWSI Research; Note: Till 2020/7/17



Figure 14: Major cities inventory period decreased YoY

City	Inventory (sqm 000)	wow	yoy	Inventory period	wow	yoy
Beijing	12,094	↓ -1.4%	↑ 37.4%	19.3	↑ 2.7%	↑ 48.7%
Shanghai	7,193	↑ 0.5%	↓ -6.7%	6.0	↑ 2.7%	↑ 2.6%
Guangzhou	8,145	↑ 0.6%	↑ 2.4%	7.9	↑ 3.0%	↓ -1.5%
Shenzhen	2,012	↓ -2.2%	↓ -16.1%	5.8	↓ -8.6%	↓ -23.4%
<b>Tier 1</b>	<b>7,361</b>	<b>↓ -0.6%</b>	<b>↑ 9.6%</b>	<b>9.7</b>	<b>↓ 0.0%</b>	<b>↑ 13.4%</b>
Hangzhou	3,359	↓ -0.9%	↑ 43.4%	2.8	↑ 7.6%	↓ -6.5%
Nanjing	5,594	↓ -2.1%	↑ 54.9%	5.9	↓ -9.1%	↑ 65.8%
Suzhou	6,594	↑ 0.04%	↑ 40.3%	3.4	↑ 7.9%	↓ -24.7%
Fuzhou	6,359	↑ 0.1%	↑ 91.6%	36.6	↓ -3.0%	↑ 148.9%
Ningbo	2,892	↑ 0.3%	↑ 6.5%	2.6	↑ 1.6%	↓ -31.8%
<b>Overall Average</b>	<b>4,520</b>	<b>↓ -20.2%</b>	<b>↓ -15.1%</b>	<b>6.9</b>	<b>↓ -27.5%</b>	<b>↓ -18.0%</b>

Source: Local governments, CWSI Research; Note: Till 2020/7/17

## 3.2 Second-hand house transaction and price data

Figure 15: Major cities Second-hand house transaction volume, Jinhua rose significantly YTD

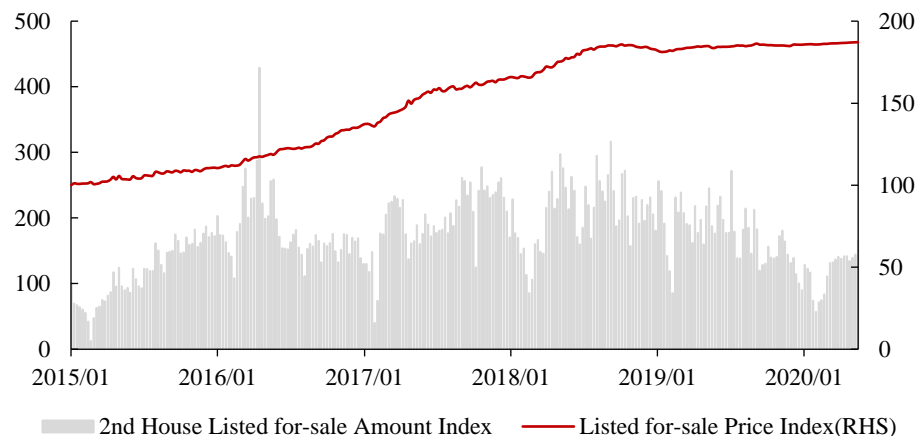
City	Last 7 days		Last 30 days			Month to date			Year to date	
	sqm	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	327,273	↑ 29%	1,386	↓ -16%	↑ 21%	765	↓ -17%	↑ 26%	6,665	↓ -2%
Shenzhen	256,759	↑ 152%	984	↑ 6%	↑ 81%	625	↑ 14%	↑ 99%	4,364	↑ 52%
Hangzhou	131,717	↑ 14%	626	↓ -2%	↑ 23%	347	↓ -3%	↑ 29%	2,845	↑ 3%
Nanjing	283,640	↑ 113%	1,087	↑ 7%	↑ 82%	702	↑ 32%	↑ 107%	4,775	↑ 42%
Chengdu	111,098	↓ -44%	492	↓ -13%	↓ -48%	300	↓ -9%	↓ -38%	2,766	↓ -55%
Qingdao	139,694	↑ 41%	595	↓ -2%	↑ 34%	348	↓ -2%	↑ 36%	2,650	↑ 12%
Wuxi	169,581	↑ 9%	652	↓ -10%	↓ -3%	412	↑ 2%	↑ 8%	3,239	↑ 5%
Suzhou	140,065	↓ -45%	589	↓ -1%	↓ -49%	361	↑ 2%	↓ -48%	2,962	↓ -51%
Xiamen	90,756	↑ 15%	379	↑ 9%	↑ 11%	231	↑ 5%	↑ 27%	1,683	↓ -27%
Yangzhou	20,288	↓ -26%	102	↓ -14%	↓ -8%	57	↓ -16%	↓ -14%	532	↓ -9%
Yueyang	14,595	↓ -20%	71	↓ -2%	↓ -5%	40	↓ -11%	↓ -16%	319	↓ -19%
Nanning	11,563	↓ -89%	242	↓ -33%	↓ -47%	121	↓ -48%	↓ -66%	1,264	↓ -11%
Foshan	174,118	↑ 43%	652	↑ 1%	↑ 24%	411	↑ 17%	↑ 33%	2,717	↓ -20%
Jinhua	45,383	↑ 35%	272	↓ -26%	↑ 88%	194	↓ -1%	↑ 112%	1,368	↑ 73%
Jiangmen	19,447	↑ 44%	87	↓ -6%	↓ -4%	54	↑ 7%	↑ 17%	394	↓ -24%
<b>Total</b>	<b>1,935,978</b>	<b>↑ 13%</b>	<b>8,215</b>	<b>↓ -6%</b>	<b>↑ 6%</b>	<b>4,968</b>	<b>↑ 0.2%</b>	<b>↑ 12%</b>	<b>38,542</b>	<b>↓ -10%</b>

Source: Local governments, CWSI Research; Note: Till 2020/7/17



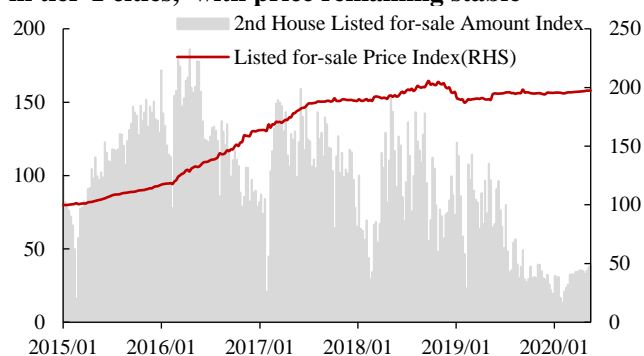


Figure 16: 2nd house listed for-sale price index rose slightly recently



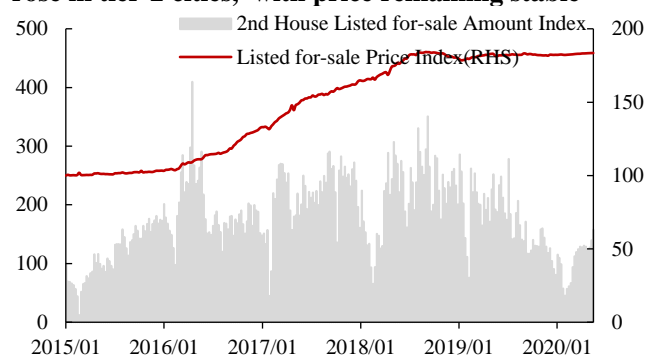
Source: Local Government, CWSI Research; Note: Till 2020/7/12

Figure 17: 2nd house listed for-sale amount index rose in tier-1 cities, with price remaining stable



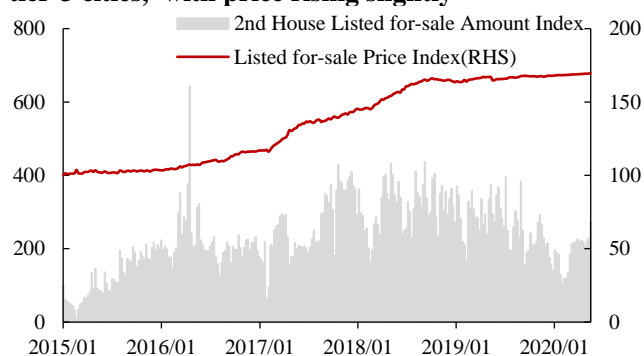
Source: Local Government, CWSI Research; Note: Till 2020/7/12

Figure 18: 2nd house listed for sale amount index rose in tier-2 cities, with price remaining stable



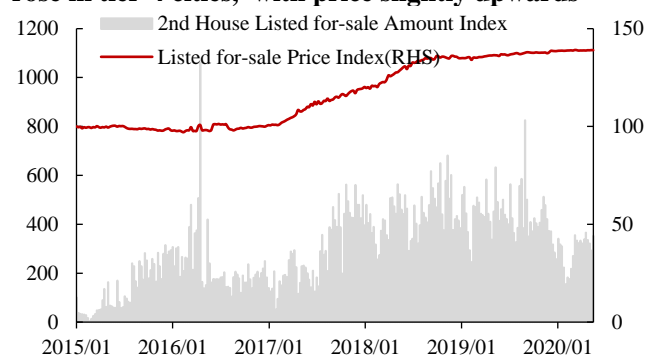
Source: Local Government, CWSI Research; Note: Till 2020/7/12

Figure 19: 2nd house listed for-sale amount index rose in tier-3 cities, with price rising slightly



Source: Local Government, CWSI Research; Note: Till 2020/7/12

Figure 20: 2nd house listed for-sale amount index rose in tier-4 cities, with price slightly upwards



Source: Local Government, CWSI Research; Note: Till 2020/7/12

## 4. Important Policies and News

### 4.1 Important Industry Policies News This Week

**Figure 21: Shenzhen Housing and Construction Bureau, Shenzhen Planning and Natural Resources Bureau, Shenzhen Market Supervision Bureau, Shenzhen Public Security Bureau, Shenzhen Local Financial Supervision Bureau, Shenzhen Taxation Bureau, People's Bank of Shenzhen Center Sub-branch, Shenzhen The Banking and Insurance Regulatory Bureau jointly issued the "Notice on Further Promoting the Steady and Healthy Development of Our City's Real Estate Market", which involves the adjustment of the purchase life of commercial housing, the improvement of differentiated housing credit measures, the refinement of ordinary housing standards, the role of tax regulation, and the strengthening of hot real estate. There are 8 aspects such as sales management, implementation of network signing management of house mortgage contracts, and increased disclosure of second-hand housing transaction information.**

Date	Region / Institution	Summary
2020-07-13	Real estate brokerage	Recently, the Real Estate New Brokerage Brand Alliance and Shell Looking for Housing jointly released the "New Brokerage Code" (2020 version), which formally solicited suggestions from the public. The code stipulates that brokers may not suggest or guide customers to conduct illegal transactions, such as recommending down payment loans, credit loans, mortgage loans and other leveraged financial products to enter the market for illegal transactions; at the same time, it is clearly not allowed to press the price of the owner in the name of the same industry, or take fake customers to see the house, Use false customers to lower or test the owner's reserve price, and apply for housing from the same industry in the name of the customer.
2020-07-13	Shanghai	Recently, the Shanghai Housing Management Bureau organized a working meeting on installing elevators in existing multi-storey residential buildings in the city, emphasizing greater efforts to instruct the towns and towns to complete the full coverage of the feasibility assessment of installing elevators in the community as soon as possible; The full coverage of the start-up examples of installed elevators, and the number of installations will be further improved compared to 2019.
2020-07-13	Hebei	Recently, Governor Xu Qin of Hebei Province emphasized in the special training class on new urbanization and urban-rural integration development in the province that high-quality national land and space planning system should be formulated to accelerate the development of new urbanization and urban-rural integration, and strive to create a new era of economically powerful provinces The new situation of beautiful Hebei construction.
2020-07-14	Ministry of Finance	Today, the Ministry of Finance decided to reissue the special anti-epidemic Treasury Bond (Phase 1) for the third time and has completed the bidding. This time the national debt plans to issue another 50 billion yuan, and the actual face value of the renewed issuance is 50 billion yuan. The factors such as the timing and coupon rate of this renewed issue of national bonds are the same as those of the special anti-epidemic government bonds in 2020 (Phase 1). The renewed issue price determined by the bidding was 98.88 yuan, equivalent to an annual rate of return of 2.69%.
2020-07-14	BCIRC	Recently, the China Banking Regulatory Commission released the "China Banking Regulatory Commission Press Spokesperson's Questions and Answers" on the official website "Supervision News", proposing that the leverage ratio of enterprises, households and other departments has recently increased, and some funds have flowed into the real estate market in violation of the rules to push up the asset bubble. Preparations for coping with loans that may rebound significantly.



2020-07-14	Zhengzhou	Recently, the Zhengzhou Municipal Housing Security and Real Estate Administration of Henan Province issued the "Notice on Carrying out Special Inspection Work on the Order of the Real Estate Market in the Whole City", requiring that after self-examination in the five districts of the city, the Zhengzhou Municipal Bureau will establish two inspection teams according to The "double random and one open" inspection requirement requires random spot checks on real estate companies in the five districts of the city. Among them, spot checks on real estate development projects are not less than 80% of the projects on sale, real estate brokerage institutions are not less than 10% of the record, valuation agencies Not less than 20% of the record.
2020-07-15	Hainan	Recently, the Hainan Provincial Department of Agriculture and Rural Affairs and the Provincial Department of Finance recently issued the "2020 Rural Revitalization and Hundred Towns and Thousand Villages Special Fund (Supporting the Construction of Characteristic Industrial Towns and Beautiful Villages) Project Implementation Plan." The special fund of Zhenqian Village is 300 million yuan to support the construction of characteristic industrial towns and beautiful villages, including 200 million yuan for characteristic industrial towns and 100 million yuan for beautiful villages. The funds are used by the cities and counties for the construction of characteristic industrial towns and beautiful rural infrastructure, public service facilities, and industrial cultivation.
2020-07-15	Inner Mongolia	Recently, the Inner Mongolia Autonomous Region Housing Fund Management Center issued the "Notice on Adjusting the Policies on Housing Provident Fund Loans", canceling the borrower's "same household" family members can also use the provident fund loan policy to purchase, and stop paying for the purchase of the third and above housing Households who deposit and withdraw staff provide housing provident funds and personal housing loans.
2020-07-15	Shenzhen	1) Today, Shenzhen Housing and Construction Bureau, Shenzhen Planning and Natural Resources Bureau, Shenzhen Market Supervision Bureau, Shenzhen Public Security Bureau, Shenzhen Local Financial Supervision Bureau, Shenzhen Taxation Bureau, People's Bank of Shenzhen Center Sub-branch, Shenzhen The Banking and Insurance Regulatory Bureau jointly issued the "Notice on Further Promoting the Steady and Healthy Development of Our City's Real Estate Market", which involves the adjustment of the purchase life of commercial housing, the improvement of differentiated housing credit measures, the refinement of ordinary housing standards, the role of tax regulation, and the strengthening of hot real estate There are 8 aspects such as sales management, implementation of network signing management of house mortgage contracts, and increased disclosure of second-hand housing transaction information. 2) Recently, the Shenzhen Municipal Bureau of Commerce released the "Shenzhen Business Development "Fourteenth Five-Year Plan" (Draft for Comments)", which requires the establishment of aerial commercial corridors based on the Houhai Super Headquarters Base, promoting the Houhai Central Business District and Shenzhen Bay Vientiane The city and other commercial entities are interconnected to build a number of new commercial landmarks. By 2025, 130 shopping malls with more than 30,000 square meters will be realized.
2020-07-16	Central Bank	Today, the central bank released the financial market in June 2020. In June, the bond market issued a total of 4.2 trillion yuan of bonds, of which 684.84 billion yuan was issued by national bonds, 286.68 billion yuan was issued by local government bonds, 726.26 billion yuan was issued by financial bonds, and 1.02 trillion yuan was issued by corporate credit bonds. Asset support The issue of securities was 91.4 billion yuan, and the issue of interbank certificates of deposit was 1.4 trillion yuan.



2020-07-16	National Bureau of Statistics	1) Today, the National Bureau of Statistics released the sales price index report of newly built commercial housing in 70 large and medium cities in June 2020. The report shows that in June, the sales prices of newly built commercial housing and second-hand housing in first-tier cities rose by 3.3% and 5.2% year-on-year respectively. The increase was 0.4 and 1.1 percentage points higher than last month. 2) Today, the National Bureau of Statistics released the national real estate development investment and sales from January to June 2020. From January to June, national real estate development investment was about 6.3 trillion yuan, an increase of 1.9% year-on-year, and a decrease of 0.3% from January to May. Among them, residential investment was about 4.6 trillion yuan, an increase of 2.6%, an increase of 2.6 percentage points from January to May. 3) Today, the National Bureau of Statistics announced that the GDP for the first half of the year was about 45.7 trillion yuan, which is a 1.6% year-on-year decrease in comparable prices. In terms of quarters, the first quarter decreased by 6.8% year-on-year, and the second quarter increased by 3.2%.
2020-07-16	Beijing	Today, according to the WeChat public account of the Beijing Development and Reform Commission, the new version of the "Beijing Points Management Measures" and "Beijing Points Management Rules" have been revised and released. Starting from July 17, Beijing's 2020 point settlement will be officially launched, mainly adjusting and optimizing the six guiding indicators at the operational level, including: education background indicators, work and residence area indicators, innovation and entrepreneurship indicators, tax payment indicators, age Indicators, law-abiding record indicators.
2020-07-17	Central Bank	Today, the central bank launched a 200 billion yuan reverse repurchase operation for a period of 7 days, and the winning bid rate was 2.2%, which was the same as last time. Due to the expiration of the non-reversal repurchase today, a net investment of 200 billion yuan was achieved on the same day.
2020-07-17	Ministry of Finance	1) Today, the Ministry of Finance disclosed that the national general public budget revenue from January to June was 9.6 trillion yuan, down 10.8% year-on-year. National tax revenue was 8.2 trillion yuan, down 11.3% year-on-year; non-tax revenue was 1.4 trillion yuan, down 8% year-on-year. From January to June, the national general public budget expenditure was 11.6 trillion yuan, a year-on-year decrease of 5.8%. 2) Today, the Ministry of Finance decided to reissue the special anti-epidemic 2020 national debt (four-term) (10-year term) for the second time, with a total face value of 70 billion yuan in competitive bidding. The interest rate will be calculated from July 16, 2020, with a coupon rate of 2.86%.
2020-07-17	National Development and Reform Commission	1) Today, the National Development and Reform Commission held a regular press conference in July online. According to the National Development and Reform Commission, this year a special budget investment project was established for the construction of the Xiong'an New District, and the first batch of funds of 2.45 billion yuan was issued in May. The second batch of funds was recently allocated 1.05 billion yuan. At present, a total of 3.5 billion yuan has been issued. 19 projects. 2) According to the disclosure of the National Development and Reform Commission, in the first half of the year, national fixed asset investment fell by 3.1% year-on-year, of which the second quarter increased by 4.8%, the growth rate increased by 20.9 percentage points compared with the first quarter.

Source: Wind, Government website, CWSI Research



## 4.2 Company news and announcements

**Figure 22: CMSK received an inquiry letter on the reorganization of the Shenzhen Stock Exchange, which involved land evaluation, transaction price, and source of convertible bond shares.**

Date	Company	Summary
2020-07-13	Sunshine City	In 2020, the cumulative contract sales amount is 90.01 billion yuan (-0.1%), and the cumulative contract sales area is 7.269 million square meters (+3.5%). In June 2020, the company acquired 12 real estate projects in Shanghai, Hangzhou, Foshan, Tianjin, Taian, Guiyang, Taicang, Nantong, Hangzhou, and Chongqing.
2020-07-13	Shimao	In 2020, the cumulative contract sales amount is 9.40 billion yuan (-23.0%), and the cumulative contract sales area is 400,000 square meters (-31.0%). In the second quarter of 2020, the company added two new real estate projects in Fuzhou and Ningbo.
2020-07-13	Daming City	The company's controlling shareholder Yu Jin lifted 40.85 million shares of the company's shares, accounting for about 33.0% of the shares he held and about 1.7% of the company's total share capital.
2020-07-14	Modern Land	The company issued US\$250 million 11.5% green senior notes due 2022.
2020-07-14	Zhengshang Industry	Henan Zhengshang Xinfu Real Estate Co., Ltd., an indirect wholly-owned subsidiary of the company, won a parcel of land in Nanyang City, Henan Province for approximately 450 million yuan, covering a total area of approximately 25,000 square meters.
2020-07-14	BRC	The company intends to repurchase approximately 304.94-60.609 million shares at no more than 7.9 yuan/share, accounting for 1%-2% of the company's total share capital.
2020-07-15	Pudong Golden Bridge	The company's 600 million yuan and 1.53% "20 Golden Bridge Development SCP001" ultra-short-term financing bonds were redeemed on July 22, 2020.
2020-07-15	Binjiang	The company provided a total financing guarantee of RMB 1.90 billion for the wholly-owned subsidiaries Hangzhou Binrong Real Estate Development Co., Ltd. and Hangzhou Binchang Real Estate Development Co., Ltd.
2020-07-15	Financial Street	The company intends to lower the coupon rate of 5 years after the duration of "15 Golden Street 02" (August 20, 2020 to August 19, 2025). The reduction rate is expected to be 0-300BP.
2020-07-16	Modern Land	The company purchased 7.95% senior notes due in 2021.
2020-07-16	Jingrui	The company repurchased about US\$20 million of 13.0% senior notes due in 2020, and the remaining unrepurchased notes totaled about US\$120 million.
2020-07-16	RedSun	The company plans to issue 9.7% senior notes due in 2023, which will be merged with the issuance of USD 300 million 9.7% senior notes due in 2023 on January 16, 2020.
2020-07-17	RedSun	The company issued US\$160 million 9.7% senior notes due in 2023 and will merge with the US\$300 million 9.7% senior notes due in 2020.
2020-07-17	CMSK	The company received an inquiry letter on the reorganization of the Shenzhen Stock Exchange, which involved land evaluation, transaction price, and source of convertible bond shares.



2020-07-17

BJ Capital  
Development

The company provided a total guarantee of RMB 150 million for the project company Zhuhai Runliang Real Estate Co., Ltd., a joint venture between Guangzhou Shoukai Zhitai Real Estate Co., Ltd. and Zhuhai Xiliang Real Estate Co., Ltd., a wholly-owned subsidiary.

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Source: Company announcements, CWSI Research

***Note:***

- 1. Certain uncertainties in the industry regulation and financing policies may affect the sales performance of listed companies;***
- 2. Macroeconomic fluctuations may have certain impact on business operations within the industry;***
- 3. Uncertainties in the control of COVID-19 spread.***





### Analyst Certification

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