

This Week in China

Govt Work Report: Stable industry direction, development focus of market + support system

Topic of the week:

Quantitative target for economic growth is raised again, and efforts will be made to improve the development quality and efficiency. The Govt Work Report this time sets the GDP growth target for 2021 at over 6%, and the employment targets have also returned to the same level as in 2018 and 2019. The formulation of the objectives takes into account: 1) Economic recovery; 2) Stability and continuity of economic growth goals; 3) Economic development is in a period of power switching, it is necessary to guide the flow of resources into key fields, “Improving the quality and effectiveness of development and maintaining sustained and healthy economic growth” is also the first aspect mentioned in the main objectives and tasks of the 14th Five-Year Plan period of the Report.

The stable direction of the real estate industry continues, and the market + support system has become the development focus. Same as in 2020, “housing for living in, not for speculation” is mentioned again, and **the expression of “keep the prices of land and housing as well as market expectations stable” appeared in the Govt Work Report for the first time**, it may be difficult to see a significant shift in the industry direction in the short term. The Report continues the statement of the 2020 Central Economic Work Conference to “address prominent housing issues in large cities”, and **newly proposed that “make every effort to address the housing difficulties faced by our people, especially new urban residents and young people”, which reflects the top level’s determination in solving housing problems.** “increase the supply of government-subsidized rental housing and shared ownership housing” is an important plan to solve the problem in the short term, which is also in line with the “improve the housing market and housing support system” during the 14th Five-Year Plan period. The market + support stratified housing system is expected to become the development focus.

Urbanization is progressing steadily, and the quantitative targets for the old community renovation have been raised. The Report proposes that during the 14th Five-Year Plan period, “raise the percentage of permanent urban residents to 65% of the population” (end-2019: 60.6%). Measures such as simplified procedures and facilitation of employment policies are expected to boost population mobility and the deepening of urbanization may also boosted local demand for home purchases. In 2021, the plan to start old community renovation is 53,000, increasing from 19,000 and 39,000 in 2019 and 2020; the promotion of the old community renovation this year may be further increased, and may bring certain opportunities for property management companies.

Data points:

As of Mar 5th, new house transaction area in 42 major cities this week decreased 3% WoW, and cumulative transaction area in 2021 increased 126% YoY.

As of Mar 5th, saleable area (inventory) in 13 major cities this week decreased 2% WoW; average inventory period was 16.8 months, average WoW change was 4%.

As of Mar 5th, second-hand housing transactions in 15 major cities this week increased 0.01% WoW, and cumulative transaction area in 2020 increased 101% YoY.

Suggestion:

Recently, the tightening of mortgages in some cities has cooled down the popularity of local property market. This week, Dongguan and Hangzhou also strengthened purchase restrictions policies to continue to guide the real estate market to return to rationality. The need for stable internal environment for economic transformation and upgrading may keep the direction of the industry stable. Maintain “Overweight” rating.

Overweight
(Maintain)

Public WeChat account



Hongfei Cai

Analyst

+852 3958 4629

caihongfei@cwghl.com

SFC CE Ref: BPK 909

Lianxin Zhuge

Analyst

+852 3958 4600

zhugelianxin@cwghl.com

SFC CE Ref: BPK 789

1. Govt Work Report: Stable industry direction, development focus of market + support system

The two sessions were successfully held in Beijing a few days ago. What changes have been made in the "Government Work Report" on the economy and the real estate industry? What kind of industry direction has been proposed?

1.1 Economic growth: giving priority to the quality and effectiveness of development, guiding the flow of resources

The quantitative target for economic growth is raised again, and the employment target returns to the level of 2018 and 2019. The expression of economic growth in this "Government Work Report" has returned to the normal state of proposing quantitative targets, setting the economic growth target for the whole year of 2021 to be above 6%. Employment targets have also been raised compared to 2020 and returned to the same level as in 2018 and 2019, that the urban surveyed unemployment rate target is 5.5%, and the urban new job added target is 11+ mn.

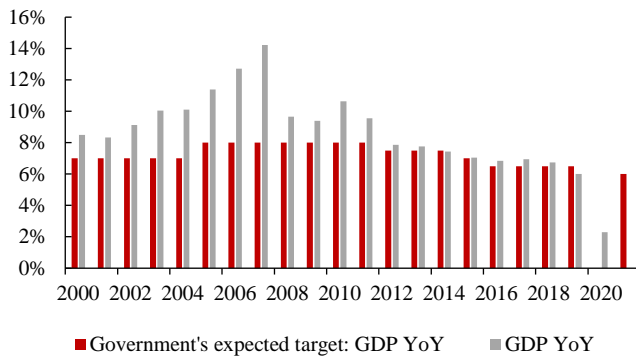
The goal of economic growth is to focus on improving the quality and efficiency of development and maintaining sustained and healthy economic development. The formulation of the above objectives is the result of multiple considerations: 1) Economic recovery and development: "Instability and uncertainty are mounting on the international landscape, and the global economy continues to face grave challenges. Domestically, there are still weak links in our work to control Covid-19. The foundation for achieving our country's economic recovery needs to be further consolidated". Although the epidemic has recovered and the base number is relatively low, uncertainties still exist, so the growth target for this year is still relatively stable; 2) The stability and continuity of the economic growth target: 2021 will be the first year of the 14th Five-Year Plan period, the establishment of the target "well-aligned with the annual goals of subsequent years in the 14th Five-Year Plan period, and they will help sustain healthy economic growth"; 3) Economic development is in a period of power switching: "Enable all of us to devote full energy to promoting reform, innovation, and high-quality development". The 3rd point is the current important direction of China's economic development. In this "Government Work Report", a large amount of content involves "Promoting high-quality development of the real economy through innovation and fostering new growth drivers", "We will see that scientific and technological innovations are fully applied in the real economy", etc. **"Improving the quality and effectiveness of development and maintaining sustained and healthy economic growth" is also the first aspect mentioned in the main objectives and tasks of the "14th Five-Year Plan" period of the "Government Work Report."**

Table 1: The GDP growth target for 2021 is over 6%, and the employment target returns to the level of 2018 and 2019

		2017	2018	2019	2020	2021
GDP YoY	Target	~6.5%	~6.5%	6%-6.5%	-	6+%
	Actual	6.95%	6.75%	6.00%	2.30%	-
Surveyed urban unemployment rate	Target	-	5.5-%	~5.5%	6.0%	5.5%
	Actual	-	~5%	5.3-%	5.2%	-
Urban jobs added	Target	11+ mn	11+ mn	11+ mn	9+ mn	11+ mn
	Actual	13.51 mn	13.61 mn	13.52 mn	11.86 mn	-

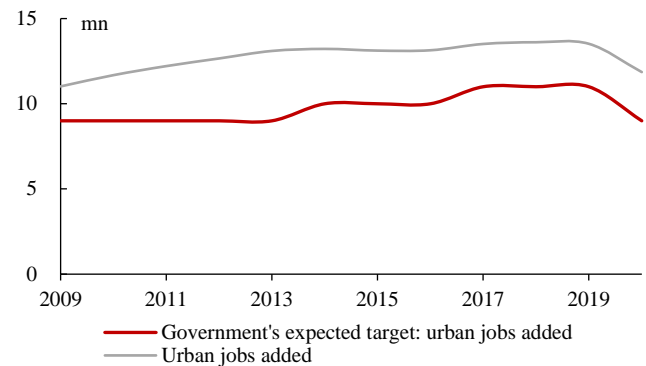
Source: Wind, NBS, Government websites, CWSI Research

Chart 1: 2021 economic growth rate puts forward a quantitative target



Source: Wind, CWSI Research

Chart 2: In the past, the number of newly employed people in urban areas all exceeded the expected target



Source: Wind, CWSI Research

1.2 The real estate industry: the steady direction continues, and the market + security system becomes the focus

The control results of last year were affirmed. The "Government Work Report" affirmed the results of last year's regulation and control, and mentioned in the 2020 work review that "the layout of urban-rural development and development among regions...by adopting city-specific policies, we promoted the stable and healthy development of the housing market". Since August last year, the top level has successively adopted measures such as the introduction of financing supervision policies for developers, setting of ceilings for housing loans of banking institutions, and establishment of a centralized land transfer system, etc., the commercial housing and land markets in the market-oriented system have been regulated in terms of developers' leverage increase, banks' release of housing-related loans such as mortgage loans to developers and personal mortgage loans, and the popularity of the land market.

During the 14th Five-Year Plan period, the market + support system will become the focus of development. The "Government Work Report" mentioned "improve the housing market and housing support system" in the new urbanization paragraph of the major quantified objectives and tasks during the 14th Five-Year Plan period, and the 2016 "Government Work Report" mentioned in major quantified objectives and tasks during the 13th Five-Year Plan period with the expression of "improve the housing support system" in the paragraph on improving people's livelihood and well-being. The difference in expression reflects that: 1) The current housing system construction is more focused on the coordination and integration of housing, new urbanization, and economic development; 2) The market-oriented system based on commercial housing and the housing support system based on affordable housing and shared property housing have both been mentioned, and the market + support stratified housing system is expected to become the development focus of the real estate long-term mechanism.

The "Government Work Report" this year mentioned real estate more than in 2019 and 2020. The "Government Work Report" this year mentioned that "We will strive to meet people's housing needs. Upholding the principle that housing is for living in, not for speculation, we will keep the prices of land and housing as well as market expectations stable. We will address prominent housing issues in large cities. By increasing land supply, earmarking special funds, and carrying out concentrated development schemes, we will increase the supply of government-subsidized rental housing and shared ownership housing. We will ensure well-regulated development of the long-term rental housing market, and cut taxes and fees on rental housing. We will make every effort to address the housing difficulties faced by our people, especially new urban residents and young people." The content related to real estate is longer than in 2019 and 2020.

The expression of "three stables" appeared in the "Government Work Report" for the first time, and the demand for growth efficiency continued the stable direction of the industry. As in 2020, the "upholding the principle that housing is for living in, not for speculation" was mentioned again, and the expressions of "stabilizing land prices, stabilizing housing prices, and stabilizing expectations" appeared in the "Government Work Report" for the first time. Under the guidance of China's economic development that emphasizes the quality of growth and guides the flow of resources to encouraged fields, the real estate industry needs to provide a stable internal environment and cost factors for industrial transformation, and it may be difficult to see an obvious change in industry policies in the short term.

Continuing the statement of "Address prominent housing issues in large cities" at the 2020 Central Economic Work Conference, and proposing a housing support system construction plan. This "Government Work Report" continues the statement of the 2020 Central Economic Work Conference of "Address prominent housing issues in large cities", and newly put forward the statement of "make every effort to address the housing difficulties faced by our people, especially new urban residents and young people", reflecting the determination of the top level to solve the housing problem. "By



increasing land supply, earmarking special funds, and carrying out concentrated development schemes, we will increase the supply of government-subsidized rental housing and shared ownership housing” is an important plan to solve the problem in the short term, and it is also in line with the development direction of the market + support stratification system during the 14th Five-Year Plan period mentioned in the previous article.

Table 2: In 2021, content related to the real estate industry is longer, and the "Government Work Report" first mentions the "three stables"

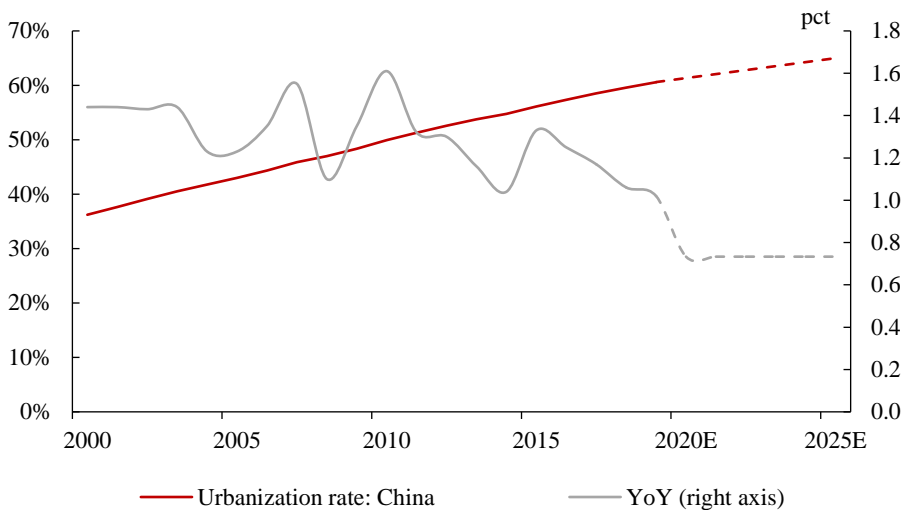
Year	Expressions on real estate industry
2016	<ul style="list-style-type: none"> ·Promote the construction of government-subsidized housing in urban areas and the healthy development of the real estate market. ·Adopt different policies in different cities as appropriate to their local conditions, in order to cut housing inventory and promote stability in the real estate market. ·Put in place a housing system which encourages both renting and purchasing and, over time, enable eligible non-registered urban residents to apply for public rental housing. ·13th Five-Year Plan period: improve the housing support system (in people's livelihood and well-being paragraph).
2017	<ul style="list-style-type: none"> ·Take targeted policies to cut excess urban real estate inventory. ·Be clear that housing is for people to live in, and local governments should take primary responsibility in this respect. Move faster to establish robust long-term mechanisms for promoting the steady and sound development of the real estate sector and build a better housing system that gives equal weight to buying and renting, with multiple levels of demand being met primarily by the market, and basic housing support provided by the government. Take more category-based and targeted steps to regulate the real estate market. ·Better regulate housing development, marketing, and intermediary services, and keep home prices from rising too quickly in popular cities.
2018	<ul style="list-style-type: none"> ·Be clear that houses are for living in, not for speculation. Expect local governments to fulfill their primary responsibility in this respect, and will continue exercising differentiated regulation and put in place robust permanent mechanisms to promote the steady and healthy development of real estate markets. ·Support people in buying homes for personal use, and develop the housing rental market and shared ownership housing. ·Speed up the establishment of a housing system with multiple types of suppliers, multiple channels for housing support, and encouragement for both renting and purchase.
2019	<ul style="list-style-type: none"> ·Better address people’s housing needs, require local governments to shoulder primary responsibility, reform and improve housing market and support systems, and sustain the steady and healthy development of real estate markets.
2020	<ul style="list-style-type: none"> ·Adhere to the positioning of the house for living, not for speculation, formulating policies according to cities, promote the stable and healthy development of the real estate market.
2021	<ul style="list-style-type: none"> ·We will strive to meet people’s housing needs. Upholding the principle that housing is for living in, not for speculation, we will keep the prices of land and housing as well as market expectations stable. We will address prominent housing issues in large cities. By increasing land supply, earmarking special funds, and carrying out concentrated development schemes, we will increase the supply of government-subsidized rental housing and shared ownership housing. We will ensure well-regulated development of the long-term rental housing market, and cut taxes and fees on rental housing. We will make every effort to address the housing difficulties faced by our people, especially new urban residents and young people. ·14th Five-Year Plan period: improve the housing market and housing support system (in urbanization paragraph).

Source: Government websites, CWSI Research

1.3 Urbanization: Steady advancement and deepening, clusters and metropolitan development logic continues

During the 14th Five-Year Plan period, the urbanization rate target is 65%, and the average annual increase needed to achieve the target is smaller than the actual increase in recent years. This year's "Government Work Report" did not mention urbanization in this year's development goals, but in the Major Targets and Tasks for the 14th Five-Year Plan Period section, it proposed "raise the percentage of permanent urban residents to 65% of the population. We will expand city clusters and metropolitan areas". In the past two decades, China's urbanization rate has increased rapidly, and the urbanization rate of permanent residents has reached 60.6% by the end of 2019; in order to achieve the goal of 65% by 2025, the average annual urbanization rate growth rate from 2020 to 2025 needs to reach about 0.73 pct, which is lower than the growth rate of China's urbanization rate in recent years (1.06 and 1.02 pct respectively in 2018 and 2019).

Chart 3: The average annual increase required to achieve the 14th Five-Year Plan urbanization rate target is lower than the previous level



Source: Wind, NBS, CWSI Research; Note: Assuming the same growth in 2020-2025

The simplification of procedures and the facilitation of employment policies have facilitated population flow and the deepening of urbanization. The "Government Work Report" also put forward plans to optimize population mobility from a specific level, such as "promote mutual nationwide recognition, of electronic licenses and certificates, and ensure more government services are accessible online and on cellphone applications with the need for only one application process", "this year, high-demand government services should generally be provided on an inter-provincial basis", "continue to subsidize contributions to social insurance made by workers in flexible employment, and allow people to access social security in the locality where

they work even if they do not hold local residency”, etc., which are expected to further enhance the convenience of population mobility and boost local housing demand.

The development logic of city clusters and metropolitan areas continues. Different from the expression of “giving full play to the comprehensive role of central cities and city clusters” in 2020, the expression of city clusters and metropolitan areas in the 2021 “Government Work Report” also appears in the 14th Five-Year Plan section, mentioning “expand city clusters and metropolitan areas”. The interconnection and coordination of various production factors in city clusters and metropolitan areas drove the economic recovery in 2020 to a certain extent, and will provide important infrastructure for industrial upgrading during the 14th Five-Year Plan period. In terms of regional coordinated development, the 14th Five-Year Plan section mentioned the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Xiongan New Area. Key city clusters and metropolitan areas will still play a leading role in economic development.

Table 3: The meeting proposed the urbanization rate target during the 14th Five-Year Plan period, and the development logic of city clusters and metropolitan areas continues

Year	Expressions on new urbanization
2016	<ul style="list-style-type: none"> · Move faster to see that urban residency is granted to more people with rural household registration living in urban areas. Deepen reform of the household registration system and relax restrictions on eligibility for urban residency. · Promote the development of small towns and small and medium-sized cities in the central and western regions. · 13th Five-Year Plan period: We must deepen the new-type urbanization centered on people, realize that about 100 mn agricultural migrants and other permanent residents settle in urban areas, complete the transformation of shanty towns and urban villages for about 100 mn people, and guide about 100 mn people to urbanize nearby in the central and western regions. By 2020, the urbanization rate of the resident population will reach 60%, and the urbanization rate of the registered population will reach 45%.
2017	<ul style="list-style-type: none"> · Deepen the reform of the household registration system. This year, at least 13 million new urban residents will be registered as permanent urban residents. Speed up work to introduce the urban residence card system nationwide. · Support the development of small and medium cities and small towns with distinctive local features. Help a number of counties and very large towns that meet the criteria to steadily develop into cities, and make city clusters better play their role in driving the development of their surrounding areas.
2018	<ul style="list-style-type: none"> · This year, another 13 million people will be registered as permanent urban residents, and will speed up work on granting permanent urban residency to people from rural areas living in cities. · Implement plans for developing major city clusters, and pursued more balanced development of small, medium, and large cities, and small towns. · A residence card system has been put into effect nationwide, and basic urban public services now cover all permanent residents. · Development between urban and rural areas and between regions has become better coordinated.
2019	<ul style="list-style-type: none"> · Continue to stimulate the development of city clusters through the development of leading cities. · Make more progress in granting permanent urban residency to people who have moved to cities from the countryside and work toward making basic urban public services cover all permanent urban residents.



2020	<ul style="list-style-type: none"> · Play the leading role in central cities and urban agglomerations. · Cultivate industries and increase employment.
2021	<ul style="list-style-type: none"> · 14th Five-Year Plan period: The strategy of new, people-centered urbanization will continue to be pursued. We will move faster to grant permanent urban residency to people who move to cities from rural areas, and raise the percentage of permanent urban residents to 65 percent of the population. We will expand city clusters and metropolitan areas.

Source: Government websites, CWSI Research

Table 4: Key city clusters and metropolitan areas will still play a leading role during the 14th Five-Year Plan period

Year	Expressions on regional development strategies
2016	<ul style="list-style-type: none"> · Push ahead with the Belt and Road Initiative, carry out the development plan for the Beijing-Tianjin-Hebei integration initiative, and speed up the development of the Yangtze Economic Belt. · 13th Five-Year Plan period: guided by the "three major strategies" (the "Belt and Road", the Yangtze River Economic Belt and the coordinated development of Beijing-Tianjin-Hebei), the formation of a vertical and horizontal economic axis belt dominated by economic belts along the Yangtze River will cultivate a number of Urban agglomerations and growth poles with strong radiating driving force.
2017	<ul style="list-style-type: none"> · Coordinate the launching of three strategic initiatives and the development of the eastern, central, western, and northeastern regions. Ensure related plans are well implemented and explore and adopt new measures. · Promote coordinated development of the Beijing-Tianjin-Hebei region, with the focus on relieving Beijing of functions nonessential to its role as the nation's capital, and develop the Xiongan New Area in line with forward-looking plans and high standards.
2018	<ul style="list-style-type: none"> · Move forward with developing the Yangtze Economic Belt, giving primary consideration to protecting ecosystems and pursuing green development. · Unveil and implement the development plan for the Guangdong-Hong Kong-Macao Greater Bay Area, and promote in all areas mutually beneficial cooperation between the mainland, Hong Kong, and Macao.
2019	<ul style="list-style-type: none"> · Promote development and opening up in the west of China, we will adopt new policies and measures and continue current policies like corporate income tax relief for the region on their expiration. · In pursuing integrated development of the Beijing-Tianjin-Hebei region, give priority to relieving Beijing of functions nonessential to its role as the capital and on developing the Xiongan New Area according to high standards. · In developing the Guangdong-Hong Kong-Macao Greater Bay Area, work to ensure the development plan's implementation, achieving compatibility between each region's rules, and facilitating flows of factors of production and the movement of people. · Elevate the integrated development of the Yangtze River Delta to the status of national strategy and design and implement an overall development plan. · In the development of the Yangtze Economic Belt, continue to pursue coordinated development along the upper, middle, and lower reaches of the river, and strengthen both the protection and restoration of ecosystems and the development of a comprehensive transportation system, to create a belt of quality economic development. Support economic transformation in resource-depleted areas.
2020	<ul style="list-style-type: none"> · Further promote the coordinated development of Beijing-Tianjin-Hebei region, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and the integrated development of the Yangtze River Delta. · Promote the Yangtze River Economic Belt to seize great protection. Compile the outline of the Yellow River Basin ecological protection and high-quality development planning. · Promote the construction of the Chengdu-Chongqing twin-city economic circle.



2021 · **14th Five-Year Plan period:** We will take solid steps to promote the coordinated development of the **Beijing-Tianjin-Hebei region**, the development of the **Yangtze Economic Belt** and the **Guangdong-Hong Kong-Macao Greater Bay Area**, integrated development in the **Yangtze River Delta**, and ecological protection and high-quality development in the Yellow River basin. We will build **Xiongan New Area** to a high standard.

Source: Government websites, CWSI Research

1.4 Old community renovation: the quantitative target is further improved

The promotion of the old community renovation has been further increased. The “Government Work Report” puts forward that “Government investment will be weighted toward projects which will help significantly improve the people’s wellbeing. Rebuilding and renovation of 53,000 old urban residential communities will begin, and the public service standards of county towns will be raised”, improved compared with the 19,000 and 39,000 old urban residential communities planned to be start renovation in 2019 and 2020. This year, the promotion of the old community renovation may be further increased.

The advancement of the old community renovation may bring certain opportunities to the property management industry. It should be noted that there are differences between the old community renovation and urban renewal and shed reform (see our report “[Old community renovation: what's the difference](#)” for details), in order to meet the needs of residents for a better life and promote the benefits of people’s livelihood. As people’s livelihood projects and development projects, it expands domestic demand, has less impact on real estate development investment, and is more effective in expanding domestic demand and consumption: 1) Revitalizing existing space: such as using part of the public space in old communities for other uses such as elderly care, childcare, etc.; 2) Drive the overall economic cycle: promote the development of upstream and downstream industries such as elevators, home appliance renewal, and decoration, promote employment and drive the overall economic cycle. The content of the old community renovation has a high degree of overlap with the business of the property management company. The support of the policy in the direction of promotion, funding sources and business content may reduce the difficulty for property management companies to enter this field, and bring certain opportunities for the scale expansion and business development of property management companies.

Table 5: In recent years, the government has clearly quantified the goal of old community renovation, and its efforts have been increased

Time	Progress
2019	Plan to start the renovation of 19,000 old communities in cities and towns, involving 3.6 mn households
2020	Plan to start 39,000 projects, involving nearly 7 mn households, nearly twice the number in 2019
2021	Plan to start 53,000 projects
2022	Basically form the institutional framework, policy system and working mechanism for the renovation of old communities in cities and towns
During "14th Five-Year"	About 35 mn households can be renovated
End-"14th Five-Year"	Strive to basically complete the renovation of old communities in cities and towns built before end-2000

Source: Government websites, CWSI Research

Table 6: The old community renovation involves the overlap of the content with the property management companies, and policy support reduces the financial pressure of the property management companies

Renovation category	Content	Sources of funds
Basic	<ul style="list-style-type: none"> · Municipal supporting infrastructure renovation and upgrading: water supply, electrical heating, fire protection, security, garbage sorting, fiber optic access, etc. · Building maintenance in the community: roofing, exterior walls, stairs, etc. 	<ul style="list-style-type: none"> · Central subsidies and key support from financial investment · The local specialized responsible unit for plumbing, electric heating and heating also has the responsibility for funding
Improving	<ul style="list-style-type: none"> · Environment and supporting facilities renovation and reconstruction: greening, lighting, facilities for the elderly, parking lots, etc. · Energy-saving renovation in the community · Install elevators in buildings with conditions 	<ul style="list-style-type: none"> · Whoever benefits, who contributes funds, may be partially resolved through residents' contributions and the transfer of public resources
Upgrading	<ul style="list-style-type: none"> · Supporting construction and intelligent transformation of public service facilities: community comprehensive service facilities, health service stations, kindergartens, elderly care, nursery care, housekeeping, etc. 	<ul style="list-style-type: none"> · Encourage social forces and social capital investment, relying on social professional services and social professional investment to solve

Source: Government websites, CWSI Research

Chart 4: Children's activity area after the renovation of Jinsong Community in Chaoyang District, Beijing



Source: Government website, CWSI Research

Chart 5: Parking lot after renovation of Baiyun Road Community in Xicheng District, Beijing



Source: Government website, CWSI Research

1.5 Summary: What does "Govt Work Report" tell on the development of the real estate industry?

Quantitative target for economic growth is raised again, and efforts will be made to improve the development quality and efficiency. The Govt Work Report this time sets the GDP growth target for 2021 at over 6%, and the employment targets have also returned to the same level as in 2018 and 2019. The formulation of the objectives takes into account: 1) Economic recovery; 2) Stability and continuity of economic growth goals; 3) Economic development is in a period of power switching, it is necessary to guide the flow of resources into key fields, "Improving the quality and effectiveness of development and maintaining sustained and healthy economic growth" is also the first aspect mentioned in the main objectives and tasks of the 14th Five-Year Plan period of the Report.

The stable direction of the real estate industry continues. Same as in 2020, "housing for living in, not for speculation" is mentioned again, and the expression of "keep the prices of land and housing as well as market expectations stable" appeared in the Govt Work Report for the first time, it may be difficult to see a significant shift in the industry direction in the short term.

The market + support system is becoming the development focus. The Report continues the statement of the 2020 Central Economic Work Conference to "address prominent housing issues in large cities", and newly proposed that "make every effort to address the housing difficulties faced by our people, especially new urban residents and young people", which reflects the top level's determination in solving housing problems. "increase the supply of government-subsidized rental housing and shared ownership housing" is an important plan to solve the problem in the short term, which is also in line with the "improve the housing market and housing support system"

during the 14th Five-Year Plan period. The market + support stratified housing system is expected to become the development focus.

Urbanization is progressing steadily, and the. The Report proposes that during the 14th Five-Year Plan period, “raise the percentage of permanent urban residents to 65% of the population” (end-2019: 60.6%). Measures such as simplified procedures and facilitation of employment policies are expected to boost population mobility and the deepening of urbanization may also boosted local demand for home purchases. The interconnection and coordination of various production factors in city clusters and metropolitan areas drove the economic recovery in 2020 to a certain extent, and will provide important infrastructure for industrial upgrading during the 14th Five-Year Plan period. Key city clusters and metropolitan areas mentioned in the 14th Five-Year Plan section (the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Xiongan New Area) will still play a leading role in economic development.

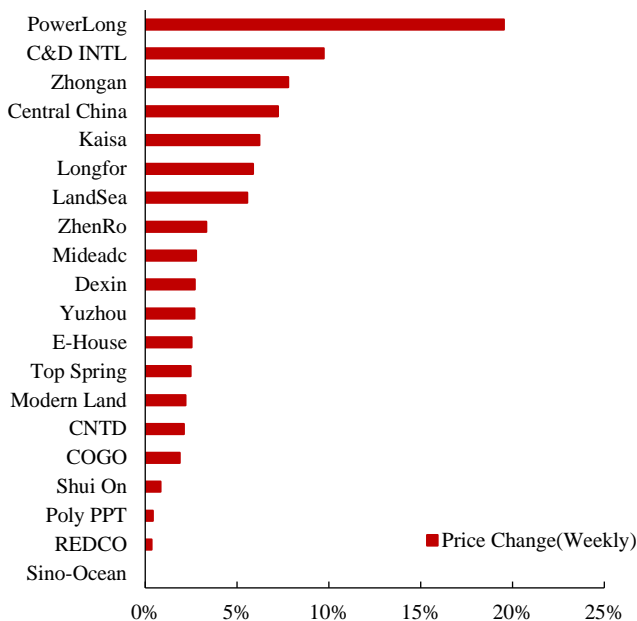
Quantitative targets for the old community renovation have been raised, and property management company may welcome certain opportunities, In 2021, the plan to start old community renovation is 53,000, increasing from 19,000 and 39,000 in 2019 and 2020; the promotion of the old community renovation this year may be further increased. The support of the policy in the direction of promotion, funding sources and business content may reduce the difficulty for property management companies to enter this field, and bring certain opportunities for the scale expansion and business development of property management companies.

2. Sector Performance

2.1 Performance of developer sector

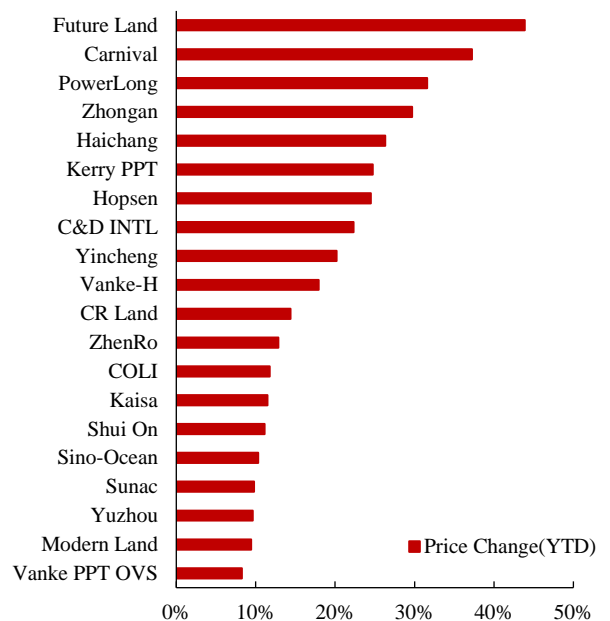
This week, PowerLong, C&D INTL and Zhongan had larger price increase than peers. Future Land Carnival, and PowerLong had better share price performance, YTD.

Chart 6: This week, PowerLong, C&D INTL and Zhongan had larger price increase than peers



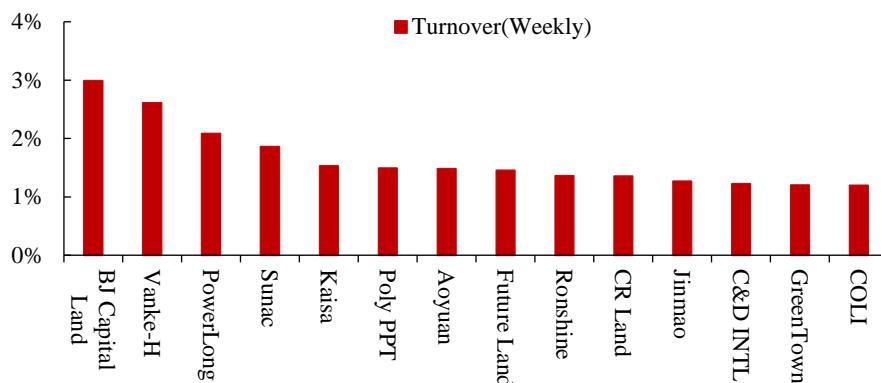
Source: Wind, CWSI Research

Chart 7: Future Land Carnival, and PowerLong had better share price performance, YTD



Source: Wind, CWSI Research

Chart 8: BJ Capital Land, Vanke-H and PowerLong were most actively traded this week

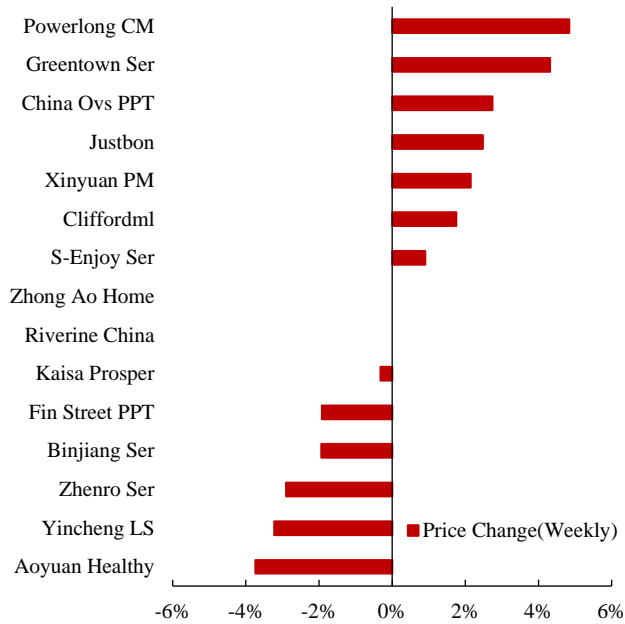


Source: Wind, CWSI Research

2.2 Performance of property management sector

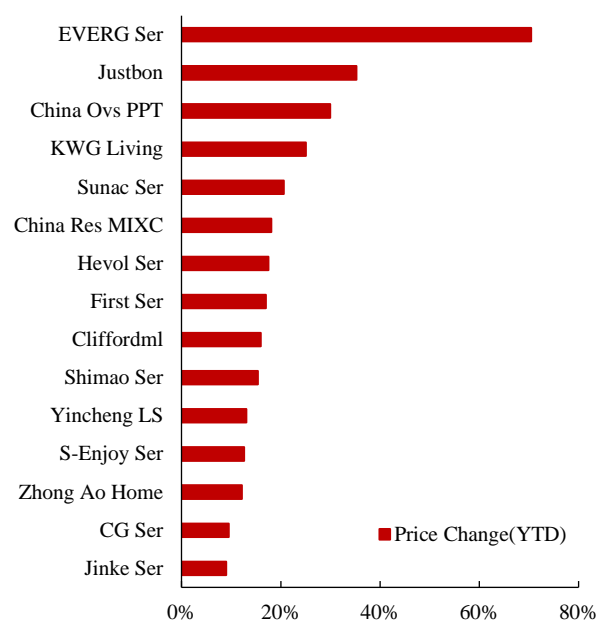
This week, Powerlong CM, Greentown Ser and China Ovs PPT had larger price increase than peers. EVERG Ser, Justbon and China Ovs PPT had better share price performance YTD.

Chart 9: This week, Powerlong CM, Greentown Ser and China Ovs PPT had larger price increase than peers



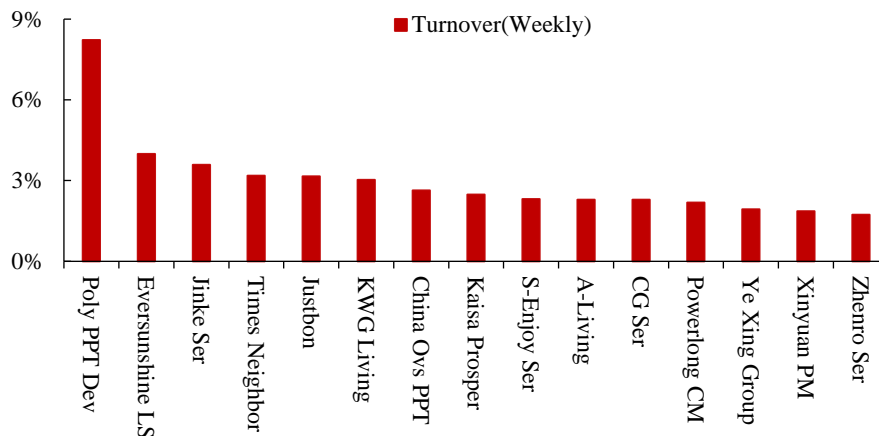
Source: Wind, CWSI Research

Chart 10: EVERG Ser, Justbon and China Ovs PPT had better share price performance YTD



Source: Wind, CWSI Research

Chart 11: Poly PPT Dev, Eversunshine LS and Jinke Ser were most actively traded this week



Source: Wind, CWSI Research

3. Major cities transaction performance

3.1 New house transaction data

Table 7: Major cities new house transactions volume decreased WoW this week

City & Region	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	162,332	-23%	239%	559	-37%	210%	137	1%	355%	1,464	99%
Shanghai	391,700	41%	248%	928	-44%	239%	272	-28%	240%	2,807	167%
Guangzhou	280,229	18%	276%	800	-46%	334%	171	-37%	319%	2,374	302%
Shenzhen	127,811	-17%	113%	350	-53%	176%	105	10%	128%	1,218	192%
Tier 1	962,072	10%	226%	2,636	-45%	244%	684	-22%	248%	7,862	181%
Tier 2	2,923,694	17%	131%	8,056	-34%	189%	2,414	11%	145%	21,192	95%
Tier 3	2,259,979	-24%	97%	8,395	-24%	300%	1,545	-9%	86%	20,318	149%
Beijing	162,332	↓ -23%	↑ 239%	559	↓ -37%	↑ 210%	137	↑ 1%	↑ 355%	1,464	↑ 99%
Qingdao	309,582	↑ 19%	↑ 206%	788	↓ -37%	↑ 187%	227	↑ 23%	↑ 229%	2,118	↑ 114%
Jinan	40,620	↓ -82%	↓ -62%	507	↓ -41%	↑ 123%	41	↓ -46%	↓ -50%	1,475	↑ 87%
Dongying	37,724	↓ -10%	↑ 127%	114	↓ -72%	↑ 273%	35	↑ 14%	↑ 143%	536	↑ 297%
PBR	550,257	↓ -25%	↑ 102%	1,967	↓ -42%	↑ 176%	439	↑ 3%	↑ 125%	5,593	↑ 111%
Shanghai	391,700	↑ 41%	↑ 248%	928	↓ -44%	↑ 239%	272	↓ -28%	↑ 240%	2,807	↑ 167%
Nanjing	345,678	↑ 1%	↑ 123%	859	↓ -19%	↑ 106%	312	↑ 45%	↑ 149%	2,062	↑ 113%
Hangzhou	480,711	↑ 21%	↑ 126%	1,072	↓ -6%	↑ 255%	433	↑ 50%	↑ 145%	2,221	↑ 157%
Suzhou	236,548	↑ 28%	↑ 29%	665	↓ -30%	↑ 53%	210	↑ 60%	↑ 40%	1,681	↑ 54%
Wuxi	120,000	↑ 234%	↑ 158%	321	↓ -32%	↑ 126%	0	↓ -100%	↓ -100%	907	↑ 96%
Yangzhou	104,374	↑ 57%	↑ 249%	249	↓ -17%	↑ 570%	104	↑ 212%	↑ 249%	574	↑ 148%
Jiangyin	66,831	↓ -24%	↑ 127%	223	↓ -30%	↑ 389%	42	↓ -9%	↑ 130%	562	↑ 104%
Wenzhou	258,201	↓ -22%	↑ 185%	988	↓ -6%	↑ 576%	158	↓ -26%	↑ 138%	2,090	↑ 100%
Jinhua	33,144	↓ -34%	↑ 81%	173	↓ -58%	↑ 448%	20	↓ -63%	↑ 70%	609	↑ 396%
Changzhou	56,211	↑ 1%	↓ -7%	150	↓ -41%	↑ 77%	56	↑ 17%	↑ 33%	408	↑ 20%
Huaian	124,399	↓ -37%	↑ 97%	591	↓ -26%	↑ 74%	97	↓ -22%	↑ 111%	1,440	↑ 181%
Lianyungang	262,873	↓ -27%	↑ 224%	1,012	↑ 3%	↑ 622%	217	↑ 52%	↑ 261%	2,101	↑ 270%
Shaoxing	58,688	↓ -13%	↑ 104%	178	↑ 0%	↑ 172%	49	↑ 14%	↑ 187%	362	↑ 100%
Zhenjiang	135,681	↓ -8%	↑ 176%	434	↓ -18%	↑ 469%	92	↑ 26%	↑ 188%	991	↑ 130%
Jiaxing	19,101	↓ -67%	↓ -7%	150	↑ 7%	↑ 390%	19	↓ -51%	↑ 11%	290	↑ 109%
Wuhu	140,284	↓ -55%	↑ 241%	676	↑ 36%	↑ 1154%	96	↓ -14%	↑ 209%	1,208	↑ 773%
Yancheng	145,645	↑ 57%	↑ 81%	349	↓ -24%	↑ 159%	-	-	-	829	↑ 164%
Zhoushan	32,149	↑ 23%	↑ 89%	75	↓ -18%	↑ 134%	20	↑ 3%	↑ 84%	175	↑ 73%
Chizhou	43,944	↓ -3%	↑ 56%	102	↑ 4%	↑ 87%	40	↑ 59%	↑ 67%	205	↑ 84%
Ningbo	153,905	↓ -36%	↑ 200%	597	↓ -29%	↑ 772%	154	↓ -2%	↑ 455%	1,554	↑ 171%
YRD	3,210,067	↓ -5%	↑ 129%	9,791	↓ -20%	↑ 262%	2,391	↑ 0%	↑ 119%	23,076	↑ 142%
Guangzhou	280,229	↑ 18%	↑ 276%	800	↓ -46%	↑ 334%	171	↓ -37%	↑ 319%	2,374	↑ 302%
Shenzhen	127,811	↓ -17%	↑ 113%	350	↓ -53%	↑ 176%	105	↑ 10%	↑ 128%	1,218	↑ 192%
Fuzhou	115,646	↑ 9%	↑ 114%	314	↑ 26%	↑ 80%	90	↑ 76%	↑ 188%	579	↑ 85%
Dongguan	75,570	↓ -7%	↑ 73%	235	↓ -73%	↑ 213%	55	↓ -52%	↑ 122%	1,199	↑ 224%
Quanzhou	10,542	↓ -62%	↓ -60%	85	↓ -51%	↑ 73%	7	↓ -61%	↓ -54%	308	↑ 35%
Putian	40,761	↓ -40%	↑ 43%	190	↑ 42%	↑ 156%	25	↑ 10%	↑ 25%	333	↑ 100%
Huizhou	54,811	↑ 1%	↑ 162%	144	↓ -62%	↑ 193%	40	↓ -19%	↑ 175%	569	↑ 169%
Shaoguan	25,627	↓ -36%	↑ 66%	114	↓ -4%	↑ 156%	15	↑ 1%	↑ 50%	240	↑ 92%
Foshan	251,681	↑ 19%	↑ 86%	692	↓ -39%	↑ 166%	150	↓ -16%	↑ 78%	1,934	↑ 128%
Zhaoqing	49,372	↓ -20%	↑ 112%	162	↓ -39%	↑ 344%	33	↓ -17%	↑ 124%	448	↑ 130%
Jiangmen	33,271	↓ -10%	↑ 253%	104	↓ -40%	↑ 501%	18	↓ -33%	↑ 188%	305	↑ 317%
PRD & Southern China	1,065,320	↓ -1%	↑ 117%	3,191	↓ -44%	↑ 192%	710	↓ -20%	↑ 129%	9,507	↑ 169%
Taian	73,375	↑ 12%	↑ 374%	193	↓ -19%	↑ 560%	62	↑ 84%	↑ 343%	449	↑ 184%
Northern China	73,375	↑ 12%	↑ 374%	193	↓ -19%	↑ 560%	62	↑ 84%	↑ 343%	449	↑ 184%
Wuhan	424,391	↑ 27%	-	1,161	↓ -45%	-	331	↑ 7%	-	3,380	↑ 151%
Yueyang	36,107	↓ -25%	↑ 100%	159	↑ 14%	↑ 374%	22	↓ -6%	↑ 119%	310	↑ 75%
Baoji	15,500	↓ -76%	-	161	↓ -66%	-	16	↓ -30%	-	671	-
Central China	475,998	↑ 6%	↑ 2533%	1,481	↓ -46%	↑ 4319%	368	↑ 4%	↑ 588%	4,361	↑ 186%
Chengdu	487,462	↑ 37%	↑ 44%	1,430	↓ -30%	↑ 95%	465	↑ 0%	↑ 69%	3,660	↑ 42%
Liuzhou	109,064	↓ -21%	↑ 19%	420	↓ -5%	↑ 131%	69	↓ -2%	↑ 20%	897	↑ 69%
Nanning	174,201	↑ 9%	↑ 122%	615	↓ -49%	↑ 274%	138	↓ -5%	↑ 130%	1,829	↑ 37%
Western China	770,727	↑ 18%	↑ 52%	2,464	↓ -33%	↑ 128%	672	↓ -1%	↑ 71%	6,387	↑ 44%
Total	6,145,745	-3%	127%	19,087	-32%	238%	4,644	-2%	130%	49,373	126%
Num. of cities Up		18	36		8	40		20	36		41
Num. of cities Down		24	4		34	0		20	2		0

Source: Local governments, CWSI Research; Note: Till 2021/3/5

Table 8: Major cities inventory period was 16.8 months this week

City	Inventory (sqm 000)	wow	yoy	Inventory period	Last week	wow	yoy
Beijing	12,058	0%	12%	21.6	18.4	17%	-64%
Shanghai	5,579	-4%	-25%	6.0	5.1	19%	-78%
Guangzhou	8,498	-2%	14%	10.6	9.4	13%	-74%
Shenzhen	2,592	-5%	-5%	7.4	7.3	1%	-66%
Tier 1 Average		-3%	-1%	11.4	10.0	13%	-70%
Hangzhou	5,060	-8%	71%	4.7	6.2	-23%	-52%
Nanjing	6,994	-3%	25%	8.1	9.0	-10%	-39%
Suzhou	8,185	-2%	50%	12.3	13.4	-8%	-2%
Fuzhou	7,289	0%	73%	23.2	26.4	-12%	-3%
Nanning	8,546	-1%	1%	13.9	13.2	5%	-73%
Wenzhou	11,254	-1%	8%	11.4	11.1	3%	-84%
Quanzhou	6,895	0%	-2%	80.7	69.5	16%	-43%
Ningbo	3,141	0%	14%	5.3	4.8	9%	-87%
Dongying	1,477	-2%	-11%	13.0	10.6	22%	-76%
Overall Average		-2%	17%	16.8	15.7	4%	-57%

Source: Local governments, CWSI Research; Note: Till 2021/3/5; Average WoW and average YoY are defined as average change of each city

3.2 Second-hand house transaction and price data

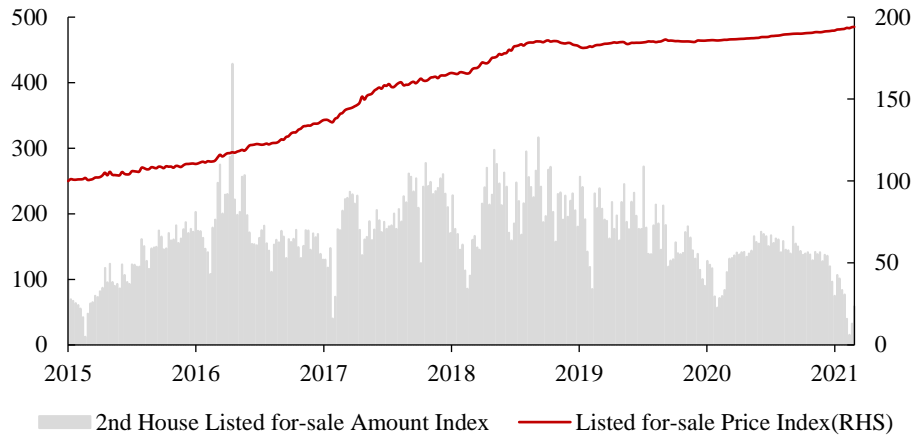
Table 9: Major cities Second-hand house transaction volume, Jiangmen and Jinhua rose significantly YTD

City	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	381,136	↓ -8%	↑ 199%	1,239	↓ -26%	↑ 205%	325	↑ 15%	↑ 255%	2,987	↑ 153%
Shenzhen	126,338	↑ 13%	↑ 9%	343	↓ -49%	↑ 44%	126	↑ 31%	↑ 31%	1,030	↑ 17%
Hangzhou	135,482	↑ 63%	↑ 223%	295	↓ -55%	↑ 377%	108	↑ 48%	↑ 192%	992	↑ 203%
Nanjing	214,449	↓ -12%	↑ 63%	755	↓ -28%	↑ 309%	202	↑ 41%	↑ 75%	1,850	↑ 144%
Chengdu	91,460	↓ -7%	↑ 70%	288	↓ -9%	↑ 209%	90	↑ 61%	↑ 102%	618	↓ -11%
Qingdao	114,918	↑ 7%	↑ 140%	335	↓ -40%	↑ 185%	110	↑ 53%	↑ 175%	920	↑ 108%
Wuxi	103,162	↑ 14%	↑ 115%	268	↓ -37%	↑ 276%	100	↑ 108%	↑ 135%	710	↑ 79%
Suzhou	149,134	↑ 6%	↑ 65%	520	↓ -27%	↑ 197%	147	↑ 55%	↑ 103%	1,251	↑ 88%
Xiamen	85,731	↑ 17%	↑ 96%	250	↓ -48%	↑ 157%	79	↑ 26%	↑ 153%	750	↑ 116%
Yangzhou	23,768	↑ 11%	↑ 262%	66	↓ -26%	↑ 799%	24	↑ 110%	↑ 290%	159	↑ 130%
Dongguan	28,469	↓ -13%	↓ -4%	94	↓ -58%	↑ 66%	27	↓ -20%	↑ 4%	327	↑ 27%
Nanning	29,889	↓ -16%	↑ 520%	108	↓ -38%	↑ 1078%	29	↑ 29%	↑ 500%	285	↑ 50%
Foshan	128,502	↓ -9%	↑ 130%	404	↓ -46%	↑ 227%	109	↑ 14%	↑ 166%	1,186	↑ 142%
Jinhua	42,033	↓ -26%	↑ 158%	172	↓ -62%	↑ 406%	42	↓ -55%	↑ 217%	652	↑ 294%
Jiangmen	11,552	↓ -28%	↓ -8%	50	↓ -48%	↑ 46%	11	↓ -24%	↑ 9%	150	↑ 216%
Total	1,666,024	0%	101%	5,188	-38%	203%	1,529	27%	127%	13,866	101%
Num. of cities Up		7	13		0	15		12	15		14
Num. of cities Down		8	2		15	0		3	0		1

Source: Local governments, CWSI Research; Note: Till 2021/3/5

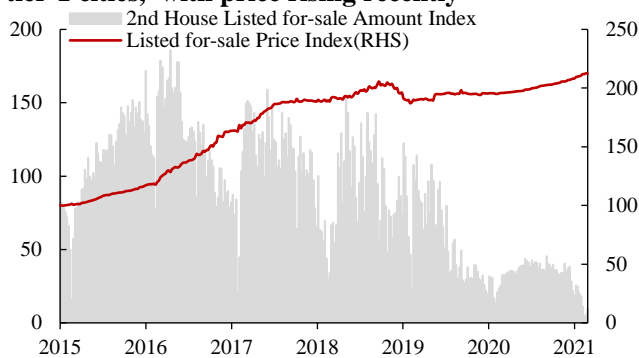


Chart 12: 2nd house listed for-sale price index rose slightly recently



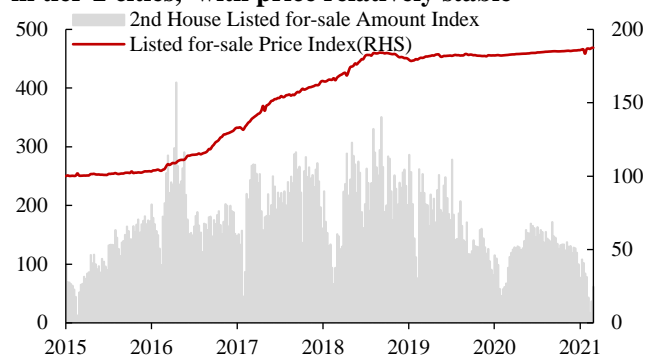
Source: Local Government, CWSI Research; Note: Till 2021/2/28

Chart 13: 2nd house listed for-sale amount index rose in tier-1 cities, with price rising recently



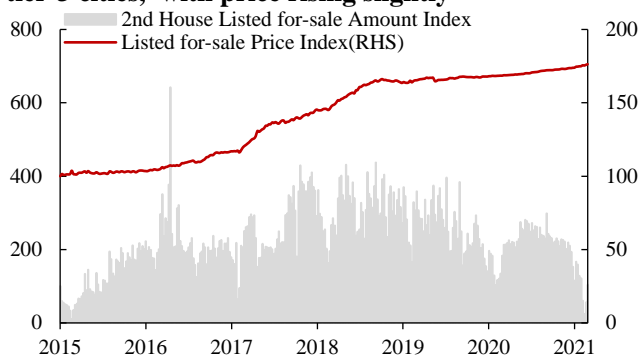
Source: Local Government, CWSI Research; Note: Till 2021/2/28

Chart 14: 2nd house listed for sale amount index rose in tier-2 cities, with price relatively stable



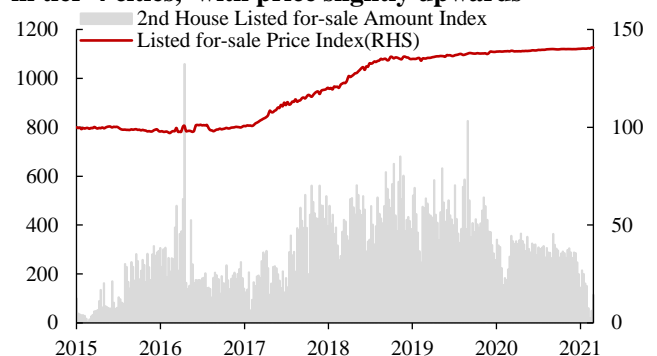
Source: Local Government, CWSI Research; Note: Till 2021/2/28

Chart 15: 2nd house listed for-sale amount index rose in tier-3 cities, with price rising slightly



Source: Local Government, CWSI Research; Note: Till 2021/2/28

Chart 16: 2nd house listed for-sale amount index rose in tier-4 cities, with price slightly upwards



Source: Local Government, CWSI Research; Note: Till 2021/2/28

4. Important Policies and News

4.1 Important Industry Policies News This Week

Table 10: Important Industry Policies News This Week: Dongguan raises the threshold for buying houses; Guangzhou terminates the sale of 4 residential land listed in late February

Date	Region / Institution	Summary
2021-03-01	Dongguan	The requirement for continuous payment of social security for non-resident families to purchase a second set of commercial housing has been extended from two years to three years. It is clarified that the number of housing units purchased by couples within two years of divorce is calculated based on the total number of units of the family before the divorce.
2021-03-01	Guangzhou	Terminate the transfer of the four residential land listed on February 22 in Shitan Town, Lihu Street, Xintang Town and Yongning Street.
2021-03-02	Shijiazhuang	For the introduced PhD graduate students, the monthly rent subsidy will be increased from 2,000 yuan to 3,000 yuan within 5 years from the date of work in Shijiazhuang, and the one-time housing subsidy will be increased from RMB 150,000 to RMB 300,000 for the purchase of the first self-use commercial housing in the city.
2021-03-02	Shanghai	The five new cities —— Jiading, Qingpu, Songjiang, Fengxian, and Nanhui will explore and introduce the housing purchase and leasing policies that are differentiated from those in the central urban area, study and improve the housing policies for talents that combine rent and purchase and rent and sell.
2021-03-03	Beijing	Strictly implement the requirements for the reduction of urban and rural construction land, encourage and guide the use of stock construction land, make overall plans for the supply of land in various fields, reasonably increase the supply of residential land, and strengthen policy support towards rental housing.
2021-03-03	Jinan	Develop the Quancheng Talent Housing Information System and raise 50,000 housing units for talents in 2021. Strengthen financial support for talent innovation, expand the scope of support for “talent loans”, and increase the proportion of risk compensation to 70%.
2021-03-03	Hangzhou	Further strengthen the housing purchase restriction, stipulating that bidders participating in the judicial auction of housing within the scope of Hangzhou housing purchase restriction must comply with Hangzhou housing purchase restriction policy. Strictly prevent the illegal flow of business loans and consumer loans into the real estate market.
2021-03-03	Shanghai	It is necessary to formulate a reasonable land transfer plan, strictly prevent high premiums, and resolutely curb irrational land acquisition. On the basis of the linkage of housing prices and land prices, the transfer of commercial residential land shall be subject to price-limiting bidding. Strictly implement the management of the price record of newly-built commercial housing. Implement housing sales restrictions, the newly-built commercial housing purchased according to the priority purchase policy can only be transferred after 5 years of online signing and filing of the house purchase contract.
2021-03-04	Shandong	Restrictions on settlement in cities and towns will be fully liberalized, and other pre-conditions and additional restrictions will be removed. Rural populations who originally settled in cities who meet the conditions prescribed by the local people's government will be allowed to settle in the countryside to promote two-way population flow and reasonable distribution.



2021-03-05	The State Council	The government work report pointed out that it is necessary to ensure the housing needs of the people, adhere to the positioning of houses are for living in, not for speculation, stabilize land price, housing prices and expectations. Solve the outstanding problems of housing in big cities, practically increase the supply of affordable rental housing and common property housing by increasing land supply, arranging special funds, and centralized construction. Standardizing the development of the long-term rental housing market, reducing the burden of rental housing taxes and fees, and doing our best to help new citizens, young people, etc. to alleviate housing difficulties.
------------	-------------------	--

Source: Wind, Government website, CWSI Research



4.2 Company news and announcements

Table 11: Company news and announcements: Eversunshine Services, etc. disclosed the 2020 profit forecast; CIFI, Kaisa, etc. redeemed senior notes

Date	Company	Summary
2021-03-01	Eversunshine LS	In 2020, the unaudited consolidated net profit of the group and the profit attributable to owners of the company are both expected to record an increase by more than 65% YoY.
2021-03-01	Xinyuan PM	In 2020, the group expects to record an increase in its consolidated net profit attributable to equity holders of the parent by not less than 60% YoY.
2021-03-02	CIFI	The company has redeemed an aggregate principal amount of USD 250 mn of all of the 7.625% senior notes due 2021.
2021-03-02	BRC	In February 2021, the company obtained 1 real estate project in Kunming.
2021-03-02	Risesun	In February 2021, the company obtained 4 real estate projects in 4 cities including Zhangjiakou, Yichang and Changzhou.
2021-03-02	Kaisa	The company has redeemed 11.75% senior notes due 2021.
2021-03-03	Zoina	In February 2021, the company obtained 2 real estate projects in Weifang and Shenzhen.
2021-03-03	Vanke	In February 2021, the company obtained 8 real estate projects in 8 cities including Nanning, Dongguan and Ningbo.
2021-03-04	COLI	In February 2021, the company obtained 2 real estate projects in Guangzhou and Fuzhou.
2021-03-04	YueXiu	In February 2021, the company obtained 1 real estate project in Guangzhou.
2021-03-04	Kaisa Prosper	In 2020, the unaudited profit and the adjusted profit (excluding share-based compensation) of the group are expected to record an increase of not less than 35% and 45% YoY, respectively.
2021-03-04	Gemdale	In February 2021, the company obtained 2 real estate projects in Nanjing and Fuzhou.
2021-03-04	Jinke	Issued 2+2 year RMB 2.2 bn 6.3% corporate bonds.
2021-03-05	SMC	In February 2021, the company obtained 1 real estate project in Changsha.
2021-03-05	Future Land	In February 2021, the company obtained 3 real estates project in Tianjin, Suzhou and Yongzhou.
2021-03-05	Central China	The company has redeemed an aggregate principal amount of USD 410 mn of all of the USD 400 mn 6.5% senior notes due 2021.
2021-03-05	Ronshine	Repurchased USD 34.5 mn 7.10% senior notes due 2025, representing 11.5% of the aggregate principal amount of the notes outstanding.
2021-03-05	Modern Land	Repurchased outstanding 12.85% senior notes due 2021.

Source: Company announcements, CWSI Research

4.3 Key 2020 Feb sales performance announced this week

Table 12: Yincheng, Jingrui, GreenTown, etc. increased the fastest in accumulated contracted sales

Company	RIC	2020 Jan-Feb contracted sales		2020 Jan-Feb contracted GFA		Feb contracted sales		Feb contracted GFA	
		(RMB bn)	YoY	(000 sqm)	YoY	(RMB bn)	YoY	(000 sqm)	YoY
Vanke	000002.SZ	116.6	40.6%	6749	33.2%	45.2	61.1%	2762	59.5%
Sunac	1918.HK	68.4	121.9%	4420	96.7%	33.3	172.3%	2184	145.7%
COLI	0688.HK	50.6	53.5%	2543	40.5%	23.6	86.0%	1126	59.4%
Gemdale	600383.SH	41.6	173.2%	1707	129.1%	17.4	480.2%	694	430.2%
GreenTown	3900.HK	39.8	294.1%	1550	192.5%	-	-	-	-
Shimao	0813.HK	37.0	121.5%	2102	119.2%	17.0	161.5%	968	159.5%
Zhongliang	2772.HK	30.8	193.3%	2343	147.4%	17.0	448.4%	1236	464.4%
CIFI	0884.HK	30.7	149.6%	1909	149.9%	14.5	479.2%	919	565.9%
Future Land	601155.SH	29.1	74.0%	3194	114.1%	12.5	125.7%	1302	201.4%
Agile	3383.HK	26.5	231.6%	1553	220.2%	15.5	420.1%	823	344.9%
Zoia	000961.SZ	24.7	126.3%	1818	116.7%	11.1	123.4%	797	108.6%
ZhenRo	6158.HK	24.6	141.2%	1449	120.5%	13.4	319.1%	803	282.4%
Ronshine	3301.HK	24.2	132.9%	1224	161.5%	-	-	-	-
Mideadc	3990.HK	23.2	197.2%	2104	191.4%	-	-	-	-
R&F	2777.HK	20.4	124.0%	1553	99.0%	9.1	235.0%	727	222.0%
Kaisa	1638.HK	17.5	160.7%	1038	200.9%	9.2	259.5%	555	316.9%
Sinicdc	2103.HK	15.9	124.1%	1033	-	7.8	-	-	-
China SCE	1966.HK	15.2	120.0%	917	95.5%	7.1	276.6%	441	221.9%
YueXiu	0123.HK	13.6	217.3%	478	191.5%	4.6	281.0%	171	260.2%
Risesun	002146.SZ	12.5	102.9%	10	62.6%	6.7	498.8%	589	385.6%
Times	1233.HK	11.9	53.4%	607	17.6%	3.6	234.3%	-	154.8%
Dexin	2019.HK	8.5	-	376	-	4.0	-	186	-
Gemdale PPT	0535.HK	7.3	134.8%	334	149.3%	2.8	316.4%	125	346.4%
Dafa Land	6111.HK	7.0	-	473	-	-	-	-	-
Central China	0832.HK	6.0	2.2%	932	24.6%	3.0	69.1%	496	51.7%
Fantasia	1777.HK	5.8	143.5%	322	57.8%	3.5	252.0%	181	110.5%
Modern Land	1107.HK	5.6	95.2%	550	106.8%	3.2	269.0%	307	351.5%
Hopsen	0754.HK	5.5	276.1%	161	47.7%	-	-	-	-
Jingrui	1862.HK	3.9	346.0%	209	464.9%	1.1	231.3%	64	433.3%
Yincheng	1902.HK	3.6	575.5%	138	452.0%	1.5	1141.7%	65	1200.0%
SMC	600823.SH	2.7	191.0%	136	202.0%	-	-	-	-
Sunshine 100	2608.HK	0.5	33.2%	45	30.4%	0.2	61.6%	17	16.1%
REDCO	1622.HK	-	-	-	-	5.5	-	682	-
EverGrande	3333.HK	-	-	-	-	30.2	-32.4%	3240	-32.4%
KWG	1813.HK	-	-	-	-	4.6	167.1%	256	128.6%
Aoyuan	3883.HK	-	-	-	-	7.9	304.6%	1803	156.8%
Country Garden	2007.HK	-	-	-	-	46.6	122.5%	5260	108.7%

Source: Wind, company announcements, CWSI Research; Note: Country Garden and Kaisa by attributable scale

4.4 Key 2020A results announced this week

Table 13: PowerLong achieved 34.2% YoY increase in core profit, Powerlong CM increased 70.8% in Net profit attributable to parent

Company	RIC	Revenue		Core Profit attributable to parent	
		(RMB bn)	YoY	(RMB bn)	YoY
Property Development					
PowerLong	1238.HK	35.5	36%	3.6	34.2%
Property Management				Net profit attributable to parent	
Powerlong CM	9909.HK	1.9	19%	0.3	70.8%

Source: Wind, 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

The person primarily responsible for the content of this research report, in whole or in part, hereby certify that:

- (1) all of the views expressed in this report accurately reflect my personal view about the subject company(ies) and its (or their) securities;
- (2) no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report, or our Investment Banking Department;
- (3) I am not, directly or indirectly, supervised by or reporting to our Investment Banking Department;
- (4) the subject company (ies) do(es) not fall into the restriction of the quiet period as defined in paragraph 16.5(g) of SFC Code of Conduct;
- (5) I do not serve as officer(s) of the listed company (ies) covered in this report; and
- (6) I and/or my associates have no financial interests in relation to the listed company (ies) covered in this report.

Meanings of Central Wealth Securities Ratings

The ratings in the report are based on the market performance within 12 months after the report is released. The A-share market is based on the CSI 300 Index and the Hong Kong stock market is based on the Hang Seng Index.

1) Stock Ratings:

Buy – Describes stocks that we expect to provide a relative return of >20%.

Accumulate – Describes stocks that we expect to provide a relative return of between 5% and 20%.

Hold – Describes stocks that we expect to provide a relative return of between -10% and +5%.

Sell – Describes stocks that we expect to provide a relative return of <-10%.

2) Sector Ratings:

Overweight – Describes sectors that we expect to provide a relative return of >10%.

Neutral – Describes sectors that we expect to provide a relative return of between -10% and +10%.

Underweight – Describes sectors that we expect to provide a relative return of <-10%.

Disclaimer

Central Wealth Securities Investment Limited (CWSI) does and seeks to do business with the company or companies covered in this report. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Any information provided in this research report is for information purpose only and have no regards to the investment objectives, financial situation or risk tolerance level of any specific recipient and does not constitute any solicitation or any offer to buy or sell any securities or any other financial instruments. This report has not been reviewed by the Hong Kong Securities and Futures Commission. Investment is risky, before enter into any investment contract, individual should exercise judgment or seek for professional advice when necessary.

Although the information in this report is obtained or compiled from sources that Central Wealth Securities Investment Limited (CWSI) believes to be reliable, no representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the materials contained in this report. All price related information is indicative only, and value of the investment(s) referred to in this report and the income from them may fluctuate. Information contained in this report may change at any time and Central Wealth Securities Investment Limited (CWSI) gives no undertaking to provide notice of any such change.

Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Central Wealth Securities Investment Limited (CWSI) and its affiliates, officers, directors, and employees may from time to time have long or short positions in securities, warrants, futures, options, derivatives or other financial instruments referred to in this report.



In no event will the information or the opinions expressed in this report constitute investment advice for any person. In no event will Central Wealth Securities Investment Limited (CWSI) or any other member of Central Wealth Securities Investment Limited (CWSI) be liable or responsible for loss of any kind, whether direct, indirect, consequential or incidental, resulting from the act or omission of any third party occurring in reliance upon the contents of this report.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation, rule or other registration or licensing requirement.

This report may not be reproduced, distributed or published by any person for any purpose without the prior written consent of Central Wealth Securities Investment Limited (CWSI). All rights are reserved.