China Property: Dropping coverage of select stocks

We are dropping **1)** property developer coverage of Gemdale Corp. (600383.SS) and Shenzhen Overseas Chinese Town (000069.SZ), **2)** property management coverage of A-Living Smart City Services (3319.HK), Sunac Services (1516.HK) and Shimao Services (0873.HK), and **3)** building product coverage of Guangdong KinLong Hardware (002791.SZ). Accordingly, our investment ratings, target prices, and estimates for these stocks are no longer in effect and should not be relied upon. This report summarizes our final ratings and views on each company. Our final estimates and target prices appear in the tables within this report.

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Gemdale Corp. (600383.SS): Dropping coverage

We are dropping coverage of Gemdale (600383.SS). Our estimates and 12-month Rmb2.70 target price are unchanged, and our final rating on the stock is Sell.

Our final view: Gemdale, a private ownership enterprise, is ranked 23rd on the 2025 Chinese property developers list (in terms of sales, ranked by CRIC). We have a Sell rating on Gemdale relative to our coverage as we think its earnings growth and return profile is overshadowed by its presales/ASP underperformance and tepid land banking, and liquidity constraints limit the potential to revive the growth outlook in the near term. Meanwhile, we think refinancing will likely remain an overhang on the shares considering its debt maturity profile against the prevailing challenging refinancing environment for POE developers. We could turn more positive in the case of greater clarity on a strong and sustainable housing market recovery, or improving open-market refinancing environment for POEs, which could address Gemdale's refinancing uncertainties and support a recovery in land investment pace.

Valuation: Our 12m NAV-based target price of Rmb2.70 is based on a 20% discount to end-26E NAV.

Key risks: 1) Better-than-expected presales performance due to effective policy loosening; 2) Margin beat, i.e. driven by faster-than-expected property price recovery especially in high-tier cities; 3) More benign refinancing environment or stronger-than-expected credit loosening enabling faster balance sheet improvement and more sufficient liquidity to cope with upcoming debt service needs; 4) Strong execution of its diversified business and asset monetization opportunities.

600383.SS	12m Price Target: Rmb2.7	Price: Rmb2.09	Upside: 29.2%

Sell

Market cap: Rmb8.2bn / $1.2bn
Enterprise value: Rmb99.4bn / $14.6bn
3m ADTV :Rmb196.3mn/ $28.9mn
China
China Property
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	35,858.1	30,818.1	25,221.9	23,376.3
EBITDA (Rmb mn)	(347.5)	1,190.6	724.1	593.2
EPS (Rmb)	(2.73)	(0.78)	(0.47)	(0.38)
P/E (X)	NM	NM	NM	NM
P/B (X)	0.4	0.2	0.2	0.2
Dividend yield (%)	0.0	0.0	0.0	0.0
N debt/EBITDA (ex lease,X)	--	44.7	65.7	72.5
CROCI (%)	16.9	0.1	0.5	0.8
FCF yield (%)	(0.9)	0.6	10.9	9.1

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	(0.15)	(0.12)	(0.16)	(0.36)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.

Shenzhen Overseas Chinese Town (000069.SZ): Dropping coverage

We are dropping coverage of OCT (000069.SZ). Our estimates and 12-month Rmb1.50 target price are unchanged, and our final rating on the stock is Sell.

Our final view: Shenzhen Overseas Chinese Town (OCT) is a state-owned enterprise, ranked among the Top-50 Chinese property developers (by sales in 2025, ranked by

CRIC) and No.4 globally among theme park operators (by traffic in 2025, according to AECOM). We have a Sell rating on OCT given the low visibility of a fundamental turnaround (both property and tourism business) and thus we believe it will continuously be saddled with low returns (loss-making in 2026E-28E vs. peers average 4% ROE). Moreover, OCT has more leverage than its peer group, which suggests outsized uncertainties on its balance sheet/profitability amid the current unprecedented housing market downturn. OCT's valuation looks less attractive vs. other developer names in our coverage on P/E and dividend yield basis.

Valuation: Our 12-month target price of Rmb1.50 is based on SOTP (end-2026E NAV for its property development and 15x 2026E P/E for its tourism business).

Key risks: 1) presales and margin beat due to more effective policy loosening, and faster-than-expected recovery especially in cities where OCT's land bank has high exposure;2) gain from asset disposals; (3) more clarity on its debt reduction and deleverage plan and how it will improve operations of existing parks and ensure return enhancement of incremental capex spend. We believe such transparency will help us regain confidence on the company's operational recovery outlook and that it would be able to defend its leading position in the tourism park industry; 4) more incentivized management to seek better ROE for the company in the longer run vs. a bias towards scale expansion (rather than return) in the past.

000069.SZ	12m Price Target: Rmb1.5	Price: Rmb1.62	Downside: 7.4%

Sell

Market cap: Rmb13.0bn / $1.9bn
Enterprise value: Rmb125.6bn / $18.5bn
3m ADTV :Rmb101.3mn/ $14.9mn
China
China Property
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	31,381.2	29,190.3	29,767.8	30,484.0
EBITDA (Rmb mn)	(6,461.0)	(241.1)	1,745.7	2,979.7
EPS (Rmb)	(1.77)	(0.68)	(0.34)	(0.18)
P/E (X)	NM	NM	NM	NM
P/B (X)	0.5	0.4	0.4	0.4
Dividend yield (%)	0.0	0.0	0.0	0.0
N debt/EBITDA (ex lease,X)	--	--	52.2	28.7
CROCI (%)	8.6	NM	0.9	2.0
FCF yield (%)	32.7	3.5	21.3	26.9

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	(0.17)	(0.07)	(0.07)	(0.36)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.

A-Living Smart City Services (3319.HK): Dropping coverage

We are dropping coverage of A-Living (3319.HK). Our estimates and 12-month HK$2.25 target price are unchanged, and our final rating on the stock is Neutral.

Our final view: A-Living is one of the largest property management companies in China by scale. After several years of efforts in optimizing portfolio and restructuring its business, especially exiting from lower-performing property management projects and city service contracts, and reducing risk exposure to heavily-indebted affiliated developers and government customers with low cash collection visibility, we now see the company back to focusing on its core business, with stable recurring topline and cash profitability from 2026E onwards, supporting a stable FCF generation and shareholder

return outlook. That said, we remain cautious on the company's ability to resume business growth in coming years amid intensified 3P competition and macroeconomic weakness. A-Living currently trades below our PM coverage with core profit growth outlook below peers' average and dividend yield return slightly above. We are Neutral-rated on A-Living.

Valuation: Our 12-month target price of HK$2.25 is based on 7X 2028E FCF discounted back to 2026E with a 14.5% CoE.

Key risks: (+/-) Faster/weaker-than-expected portfolio growth; (+/-) Faster/slower-than-expected 2C VAS development; (+/-) upbeat/weaker-than-expected PMS margin; (-) higher-than-expected impairment losses from AR due from 3P or goodwill.

3319.HK	12m Price Target: HK$2.25	Price: HK$1.77	Upside: 27.1%

Neutral

Market cap: HK$2.5bn / $320.5mn
Enterprise value: HK$1.5bn / $188.0mn
3m ADTV :HK$5.7mn/ $731.4k
China
China Property Services
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	12,892.5	12,866.7	13,125.7	13,422.4
EBITDA (Rmb mn)	494.0	1,096.6	1,253.8	1,329.1
EPS (Rmb)	0.07	0.38	0.48	0.53
P/E (X)	34.7	4.0	3.2	2.9
P/B (X)	0.4	0.2	0.2	0.2
Dividend yield (%)	4.8	8.6	8.8	9.2
N debt/EBITDA (ex lease,X)	(5.5)	(2.5)	(2.4)	(2.5)
CROCI (%)	5.8	7.3	9.1	9.6
FCF yield (%)	6.5	9.6	14.2	15.5

	12/25	6/26E	12/26E	6/27E
EPS (Rmb)	(0.17)	1.28	(0.90)	1.61

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.

Sunac Services (1516.HK): Dropping coverage

We are dropping coverage of Sunac Services (1516.HK). Our estimates and 12-month HK$1.02 target price are unchanged, and our final rating on the stock is Sell.

Our final view: Sunac Services (SUS) is the property management company affiliated to Sunac China (1918.HK). We are Sell-rated on SUS. Looking forward, given SUS' portfolio has sizable low-quality projects delivered by affiliated developer Sunac China (1918.HK) in recent years, we expect another 1-1.5 years for margins to stabilize and impairment risk to moderate. Coupled with its conservative dividend policy guidance, we also expect a relatively unattractive shareholder return for SUS compared to POE PM peers. SUS currently trades below the PM coverage average level with core profit growth CAGR and dividend yield both below peer averages.

Valuation: Our 12m target price of HK$1.02 is based on 8X 2028E FCF discounted back to 2026E with a 13.8% CoE.

Key risks: 1) stronger-than-expected pipeline injection from parent company, due to above-expectation property market recovery; 2) more active 3P scale expansion to offset the decline in parent/M&A projects; 3) stronger-than-expected 2C VAS development resulting in topline beat; 4) stronger-than-expected margin profile due to

effective digitalization and economies of scale.

1516.HK	12m Price Target: HK$1.02	Price: HK$0.77	Upside: 32.5%

Sell

Market cap: HK$2.4bn / $300.1mn

3m ADTV :HK$7.8mn/ $999.0k

China

China Property Services

M&A Rank: 3

Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	6,816.2	6,520.8	6,429.4	6,396.6
EBITDA (Rmb mn)	407.7	416.8	439.0	732.8
EPS (Rmb)	0.07	0.07	0.07	0.14
P/E (X)	23.2	10.1	9.4	4.6
P/B (X)	0.9	0.4	0.4	0.4
Dividend yield (%)	0.6	5.4	5.9	11.9
N debt/EBITDA (ex lease,X)	(9.3)	(9.4)	(9.1)	(6.0)
CROCI (%)	40.4	12.2	21.2	38.5
FCF yield (%)	(0.1)	6.6	9.7	22.0

	12/25	6/26E	12/26E	6/27E
EPS (Rmb)	0.03	0.03	0.04	0.03

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.

Shimao Services (0873.HK): Dropping coverage

We are dropping coverage of Shimao Services (0873.HK). Our estimates and 12-month HK$0.60 target price are unchanged, and our final rating on the stock is Sell.

Our final view: Shimao Service (SMS) is the PM company affiliated to Shimao Group (0813.HK). We are Sell rated on SMS. We think SMS's valuation recovery potential will be challenged by the lingering liquidity pressure of its parent. We believe such an overhang will continue to impede SMS's business expansion outlook. We also think the stock is overvalued vs. PM peers given the weaker earnings visibility.

Valuation: Our 12m target price of HK$0.60 is based on a 6X 2028E FCF discounted back to 2026E with a 16.2% CoE.

Key risks: 1) More active 3P scale expansion; parent liquidity pressure to be resolved quicker than expected; 2) meaningful development on 2C VAS such as catering services and elderly caring services; 3) better-than-expected margin profile through more efficient technological empowerment and rising project density.

0873.HK	12m Price Target: HK$0.6	Price: HK$0.44	Upside: 36.4%

Sell

Market cap: HK$1.1bn / $143.7mn

3m ADTV :HK$529.8k/ $67.6k

China

China Property Services

M&A Rank: 3

Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	7,880.0	7,985.3	8,122.3	8,262.9
EBITDA (Rmb mn)	474.1	738.7	762.3	794.3
EPS (Rmb)	0.04	0.12	0.13	0.14
P/E (X)	17.1	3.2	3.0	2.8
P/B (X)	0.2	0.1	0.1	0.1
Dividend yield (%)	0.0	0.0	0.0	0.0
N debt/EBITDA (ex lease,X)	(3.1)	(2.3)	(2.6)	(2.9)
CROCI (%)	14.0	6.3	6.8	6.7
FCF yield (%)	25.8	24.2	29.8	31.0

	12/25	6/26E	12/26E	6/27E
EPS (Rmb)	0.04	0.05	0.07	0.05

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.

Guangdong KinLong Hardware (002791.SZ): Dropping coverage

We are dropping coverage of Guangdong KinLong Hardware (002791.SZ). Our estimates and 12-month Rmb22.00 target price are unchanged, and our final rating on the stock is Buy.

Our final view: Kinlong is the largest hardware marketplace in China. We believe it is well-positioned to navigate the current housing market weakness, advance its market share leadership, and sustain its long-term growth trajectory driven by continuous SKU expansion, lower-tier city penetration, and sales efficiency improvement (which has a large gap vs. its DM peers). Meanwhile, we think visibility for its near-term topline/earnings growth recovery should improve amid rising expectations on property market stabilization amid policy easing. Thus we believe Kinlong offers an even better entry point given the share underperformance vs. peers in the past 12 months and trading at a valuation discount to its own history; hence we are Buy rated.

Valuation: Our 12m target price of Rmb22.00 is based on a 25X 2028E P/E, discounted back to 2026E at a 10% CoE.

Key risks: 1) Negative impact from prolonged property market downturn on sales/AR management; 2) Unexpected demand weakness or cost inflation; 3) Execution missteps in new product development.



002791.SZ	12m Price Target: Rmb22	Price: Rmb14.39	Upside: 52.9%

Buy

Market cap: Rmb5.1bn / $749.7mn
Enterprise value: Rmb4.3bn / $636.6mn
3m ADTV :Rmb87.8mn/ $12.9mn
China
China Property
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	5,543.7	5,697.9	6,044.3	6,417.6
EBITDA (Rmb mn)	346.8	490.6	622.4	669.6
EPS (Rmb)	(0.28)	0.57	0.95	1.06
P/E (X)	NM	25.1	15.1	13.5
P/B (X)	1.5	0.9	0.9	0.8
Dividend yield (%)	0.0	1.2	2.0	2.2
N debt/EBITDA (ex lease,X)	(2.2)	(1.6)	(1.5)	(1.4)
CROCI (%)	5.4	6.1	8.8	8.3
FCF yield (%)	1.0	2.5	6.9	5.8

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	(0.14)	(0.06)	(0.27)	1.04

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 07 Jul 2026 close.