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China Property | Asia Pacific

# Mixed New Home Sales Performance in August; We Expect a Cool Peak Season Ahead

PTI data show that the property sales decline for the top 100 developers narrowed to -4% y-y in August; for the top 50, it widened to -11%. With uncertainty from the completed sales policy, we see new home sales remaining weak in 4Q with slow launches. We maintain our guarded view on developers.

**Major developers recorded divergent sales performance:** Sales n August fell 11% and 4% y-y , respectively, for the top 50 and top 100 developers on attributable basis (vs. -7% and -11% in July). This narrowed the YTD sales declines slightly to 13% for the top 50 and 14% y-y for the top 100. For the 30 major developers we track, the sales drop widened to 26% y-y (vs. -16% in July), bringing the YTD sales decrease to 23% y-y. We attribute the divergence to the relatively higher base of the large developers in the month.

**Continuous divergence in sales performance:** SOEs continued to outshine with milder sales declines. CR Land, Yuexiu, C&D, and COLI outperformed at 40%, 2%, -10% and -13% y-y, respectively. In contrast, KWG, Sunac, Zhongliang, Shimao, and Sino-Ocean posted >55% y-y declines. Some semi-SOE developers also recorded weak performances; Gemdale and Vanke dropped 54% and 45% y-y, respectively. We attribute SOE outperformance to their stronger brands and more new saleable resources in top-tier cities.

**Potentially cooler peak season ahead:** Considering the recently announced completed-sales model, we expect developers to slow project launches in the coming months to smooth the transition. This would potentially result in a weaker-than-usual peak season for new home sales this year, and posing further downside risk to our recently lowered full-year sales forecasts. In contrary, existing-home transactions may gain higher share amid reduced supply, likely leading to stronger prices in Tier 1 cities in 4Q.

**Stock ideas:** We remain guarded on pure-play developers while favoring *KE (BEKE.N)* as key beneficiary of a higher share of existing home transactions. We would also build positions on any dips in *CR Land (1109.HK)* and *Seazen A/H (601155.SS/ 1030.HK)*, where robust mall operations should provide an earnings buffer. In particular, CR Land is trading at only 12-13x its forward recurring profit, with limited valuation for its still-profitable development business, which is defensive in our view.

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# Monthly Sales Performance

**Exhibit 1:** Developers contracted sales performance

| Company | Ticker | Developer type | Monthly (Rmb bn) | | | | | | | | | | | | | | | YTD (Rmb bn) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2025-08 | 2025-09 | 2025-10 | 2025-11 | 2025-12 | 2026-01 | 2026-02 | 2026-03 | 2026-04 | 2026-05 | 2026-06 | 2026-07 | 2026-08 | YoY | MoM | 2025-08 | 2026-08 | YoY |
| Agile | 3383 HK | POE | 0.6 | 0.5 | 0.7 | 0.6 | 0.5 | 0.5 | 0.6 | 0.7 | 0.5 | 0.7 | 0.8 | 0.5 | 0.4 | -34% | -22% | 6 | 5 | -26% |
| Binjiang | 002244 CH | POE | 9.0 | 8.1 | 7.7 | 8.2 | 7.2 | 5.3 | 3.9 | 5.9 | 9.3 | 9.3 | 9.6 | 8.1 | 6.9 | -24% | -16% | 71 | 58 | -18% |
| C&D International * | 1908 HK | SOE | 5.7 | 7.7 | 8.8 | 4.5 | 6.6 | 5.3 | 5.5 | 8.6 | 9.7 | 10.8 | 9.1 | 5.5 | 5.1 | -10% | -7% | 63 | 59 | -6% |
| China SCE | 1966 HK | POE | 0.6 | 0.6 | 0.8 | 0.7 | 0.7 | 0.5 | 0.5 | 0.8 | 0.8 | 0.8 | 0.6 | 0.7 | 0.6 | -2% | -15% | 6 | 5 | -9% |
| CIFI | 884 HK | POE | 1.0 | 0.9 | 1.1 | 0.9 | 1.0 | 0.7 | 0.5 | 1.2 | 0.7 | 0.9 | 1.1 | 0.6 | 0.7 | -28% | 13% | 12 | 6 | -48% |
| CMSK | 001979 CH | SOE | 19.5 | 16.7 | 15.4 | 14.1 | 25.8 | 7.7 | 7.8 | 17.9 | 21.7 | 20.9 | 20.2 | 13.8 | 15.5 | -21% | 12% | 124 | 126 | 1% |
| COLI | 688 HK | SOE | 18.3 | 20.2 | 18.7 | 22.2 | 39.8 | 14.5 | 8.5 | 28.6 | 24.2 | 27.3 | 31.4 | 15.1 | 16.0 | -13% | 6% | 150 | 165 | 10% |
| Country Garden * | 2007 HK | POE | 3.0 | 2.6 | 2.9 | 2.4 | 2.7 | 2.2 | 2.2 | 2.2 | 2.5 | 2.6 | 2.5 | 2.3 | 2.3 | -23% | 1% | 22 | 19 | -16% |
| CR Land | 1109 HK | SOE | 13.2 | 17.6 | 15.2 | 23.0 | 41.0 | 11.7 | 10.1 | 22.4 | 25.9 | 23.5 | 23.0 | 14.1 | 18.5 | 40% | 31% | 137 | 149 | 9% |
| Gemdale | 600383 CH | Semi-SOE | 2.2 | 2.2 | 1.9 | 1.5 | 2.4 | 1.2 | 0.6 | 1.5 | 2.5 | 2.0 | 1.7 | 1.5 | 1.0 | -54% | -32% | 22 | 12 | -45% |
| Greentown | 3900 HK | Semi-SOE | 10.0 | 12.2 | 12.5 | 12.5 | 20.5 | 6.3 | 4.5 | 14.8 | 10.4 | 12.5 | 11.7 | 5.3 | 7.1 | -29% | 34% | 96 | 73 | -24% |
| GZ R&F | 2777 HK | POE | 1.1 | 1.1 | 1.2 | 1.0 | 1.5 | 0.7 | 0.8 | 1.4 | 1.0 | 1.0 | 2.4 | 0.7 | 1.1 | 5% | 65% | 9 | 9 | -3% |
| Jinmao | 817 HK | SOE | 9.1 | 9.8 | 12.0 | 8.0 | 12.8 | 7.6 | 5.3 | 9.5 | 8.8 | 10.5 | 15.8 | 9.2 | 7.4 | -18% | -20% | 71 | 74 | 5% |
| KWG | 1813 HK | POE | 0.6 | 0.7 | 0.6 | 0.5 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.3 | 0.2 | 0.2 | -74% | -23% | 5 | 2 | -50% |
| Logan | 3380 HK | POE | 0.9 | 0.5 | 0.5 | 0.6 | 0.8 | 0.4 | 0.4 | 0.4 | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 | -42% | 0% | 5 | 4 | -23% |
| Longfor | 960 HK | POE | 4.7 | 5.0 | 5.0 | 3.6 | 3.8 | 2.5 | 2.0 | 3.0 | 2.9 | 3.3 | 2.9 | 2.1 | 2.2 | -53% | 6% | 46 | 21 | -54% |
| Midea RE | 3990 HK | POE | 1.4 | 1.8 | 2.1 | 1.2 | 1.6 | 1.2 | 0.9 | 1.6 | 1.1 | 1.4 | 1.3 | 0.8 | 0.9 | -39% | 4% | 19 | 9 | -51% |
| Poly | 600048 CH | SOE | 18.0 | 20.5 | 21.1 | 18.0 | 12.2 | 15.6 | 10.1 | 26.0 | 25.9 | 27.6 | 29.8 | 14.9 | 15.0 | -17% | 0% | 181 | 165 | -9% |
| Powerlong | 1238 HK | POE | 0.6 | 0.5 | 0.7 | 0.5 | 0.6 | 0.5 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 | -26% | -16% | 5 | 4 | -10% |
| Ronshine | 3301 HK | POE | 0.1 | 0.3 | 0.2 | 0.3 | 0.3 | 0.2 | 0.0 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | 0.2 | 40% | -29% | 3 | 2 | -36% |
| Seazen | 1030 HK | POE | 1.6 | 1.5 | 1.4 | 1.4 | 1.4 | 0.7 | 1.2 | 1.1 | 1.0 | 1.4 | 1.0 | 0.9 | 0.9 | -43% | 4% | 14 | 8 | -40% |
| Shimao | 813 HK | POE | 1.8 | 1.9 | 1.7 | 1.5 | 1.5 | 1.5 | 1.3 | 1.7 | 1.2 | 1.2 | 1.3 | 0.8 | 0.7 | -61% | -11% | 17 | 10 | -44% |
| Sino-Ocean | 3377 HK | Semi-SOE | 1.7 | 2.4 | 2.5 | 2.5 | 2.5 | 1.2 | 0.5 | 1.4 | 1.6 | 1.7 | 1.7 | 0.9 | 0.8 | -56% | -12% | 16 | 10 | -41% |
| Sunac | 1918 HK | POE | 5.4 | 1.3 | 1.0 | 1.1 | 3.0 | 1.1 | 2.6 | 2.2 | 1.2 | 1.1 | 0.9 | 1.3 | 1.4 | -74% | 10% | 30 | 12 | -62% |
| Vanke | 000002 CH | Semi-SOE | 9.0 | 9.2 | 14.4 | 9.4 | 9.8 | 5.6 | 3.5 | 7.5 | 4.8 | 6.2 | 7.4 | 6.7 | 4.9 | -45% | -26% | 91 | 47 | -49% |
| Yuexiu | 123 HK | SOE | 5.5 | 6.8 | 12.3 | 5.1 | 9.0 | 4.2 | 2.9 | 10.1 | 8.5 | 11.3 | 13.5 | 5.1 | 5.6 | 2% | 10% | 73 | 61 | -16% |
| Yuzhou | 1628 HK | POE | 0.4 | 0.4 | 0.7 | 0.6 | 0.5 | 0.5 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | -13% | -12% | 5 | 4 | -21% |
| Zhenro | 6158 HK | POE | 0.3 | 0.3 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 28% | 4% | 3 | 3 | -5% |
| Zhongliang | 2772 HK | POE | 1.0 | 1.0 | 1.1 | 0.9 | 0.9 | 0.8 | 0.7 | 0.5 | 0.6 | 0.6 | 0.5 | 0.4 | 0.3 | -69% | -21% | 8 | 4 | -48% |
| **Aggregate** | | | **146** | **154** | **165** | **147** | **211** | **101** | **78** | **173** | **170** | **181** | **192** | **113** | **117** | **-20%** | **3%** | **1,311** | **1,126** | **-14%** |
| **Median** | | | | | | | | | | | | | | | | **-26%** | **0%** | | | **-23%** |
| **SOE Median** | | | | | | | | | | | | | | | | **-13%** | **6%** | | | **1%** |
| **Semi-SOE Median** | | | | | | | | | | | | | | | | **-50%** | **-19%** | | | **-43%** |
| **POE Median** | | | | | | | | | | | | | | | | **-31%** | **-6%** | | | **-31%** |
| **Top 30 (attributable)** | | | 119 | 140 | 156 | 140 | 209 | 96 | 50 | 181 | 159 | 173 | 183 | 109 | 109 | -9% | -1% | 1,178 | 1,059 | -10% |
| **Top 50 (attributable)** | | | 137 | 164 | 179 | 161 | 234 | 110 | 80 | 180 | 177 | 196 | 209 | 122 | 121 | -11% | -1% | 1,376 | 1,197 | -13% |
| **Top 100 (attributable)** | | | 154 | 198 | 201 | 184 | 262 | 129 | 91 | 206 | 205 | 227 | 237 | 146 | 147 | -4% | 1% | 1,620 | 1,388 | -14% |

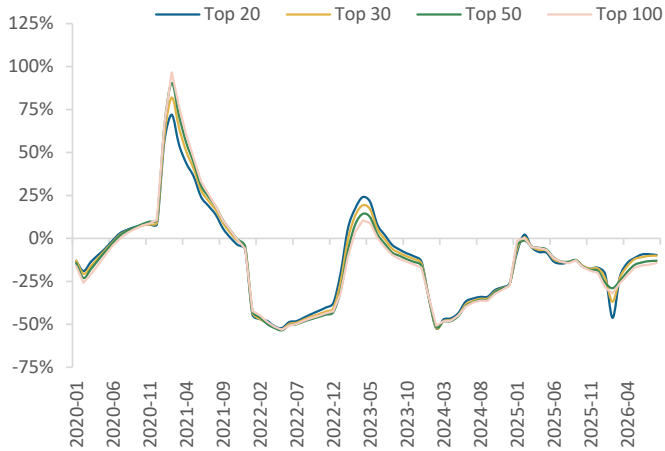
**Exhibit 2:** PTI Data monthly sales of top 20/30/50/100 developers

| | Monthly attributable sales - y-y | | | | Monthly attributable sales - m-m | | | | YTD attributable sales - y-y | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Top 20 | Top 30 | Top 50 | Top 100 | Top 20 | Top 30 | Top 50 | Top 100 | Top 20 | Top 30 | Top 50 | Top 100 |
| 2020-01 | -13% | -13% | -14% | -16% | -48% | -51% | -55% | -57% | -13% | -13% | -14% | -16% |
| 2020-02 | -26% | -30% | -34% | -38% | -31% | -35% | -38% | -42% | -19% | -21% | -23% | -26% |
| 2020-03 | -6% | -10% | -11% | -15% | 104% | 110% | 121% | 129% | -14% | -16% | -18% | -21% |
| 2020-04 | 0% | 0% | 0% | -1% | 8% | 12% | 12% | 16% | -10% | -11% | -13% | -15% |
| 2020-05 | 7% | 9% | 9% | 8% | 11% | 13% | 16% | 19% | -6% | -7% | -7% | -9% |
| 2020-06 | 14% | 13% | 13% | 13% | 37% | 32% | 30% | 31% | -1% | -2% | -3% | -4% |
| 2020-07 | 29% | 30% | 30% | 24% | -23% | -21% | -21% | -22% | 3% | 2% | 2% | 0% |
| 2020-08 | 19% | 21% | 25% | 26% | -4% | -5% | -2% | 0% | 5% | 5% | 5% | 3% |
| 2020-09 | 16% | 12% | 17% | 21% | 26% | 22% | 21% | 19% | 7% | 6% | 6% | 6% |
| 2020-10 | 16% | 21% | 23% | 23% | -4% | 2% | 2% | 0% | 8% | 7% | 8% | 8% |
| 2020-11 | 12% | 15% | 22% | 19% | -6% | -5% | 2% | 5% | 8% | 8% | 10% | 9% |
| 2020-12 | 10% | 19% | 20% | 26% | 9% | 19% | 16% | 26% | 8% | 9% | 11% | 11% |
| 2021-01 | 56% | 59% | 65% | 67% | -27% | -35% | -37% | -43% | 56% | 59% | 65% | 67% |
| 2021-02 | 95% | 117% | 131% | 148% | -14% | -12% | -13% | -13% | 72% | 82% | 90% | 97% |
| 2021-03 | 34% | 43% | 49% | 53% | 40% | 38% | 42% | 41% | 55% | 64% | 71% | 77% |
| 2021-04 | 22% | 23% | 25% | 28% | -1% | -3% | -5% | -3% | 44% | 50% | 56% | 60% |
| 2021-05 | 15% | 14% | 15% | 15% | 5% | 5% | 7% | 6% | 36% | 40% | 44% | 47% |
| 2021-06 | -8% | -6% | -5% | -3% | 10% | 9% | 7% | 11% | 24% | 28% | 31% | 33% |
| 2021-07 | -6% | -7% | -6% | -8% | -21% | -22% | -22% | -27% | 19% | 22% | 24% | 26% |
| 2021-08 | -18% | -16% | -16% | -21% | -16% | -14% | -12% | -15% | 14% | 16% | 19% | 19% |
| 2021-09 | -39% | -35% | -35% | -36% | -7% | -5% | -7% | -4% | 6% | 9% | 10% | 10% |
| 2021-10 | -36% | -35% | -33% | -34% | 1% | 2% | 5% | 3% | 0% | 3% | 5% | 5% |
| 2021-11 | -40% | -39% | -41% | -43% | -12% | -11% | -9% | -8% | -4% | -2% | -1% | -1% |
| 2021-12 | -30% | -33% | -34% | -39% | 27% | 31% | 29% | 34% | -7% | -5% | -5% | -6% |
| 2022-01 | -44% | -43% | -42% | -42% | -42% | -45% | -45% | -47% | -44% | -43% | -42% | -42% |
| 2022-02 | -50% | -51% | -50% | -48% | -23% | -25% | -25% | -22% | -47% | -47% | -46% | -45% |
| 2022-03 | -50% | -53% | -56% | -54% | 41% | 35% | 26% | 23% | -48% | -49% | -50% | -49% |
| 2022-04 | -59% | -59% | -58% | -59% | -20% | -16% | -11% | -13% | -51% | -52% | -52% | -51% |
| 2022-05 | -56% | -56% | -58% | -59% | 13% | 11% | 8% | 6% | -52% | -53% | -54% | -53% |
| 2022-06 | -35% | -37% | -39% | -41% | 62% | 58% | 56% | 60% | -49% | -50% | -51% | -51% |
| 2022-07 | -45% | -45% | -46% | -43% | -33% | -31% | -31% | -29% | -48% | -49% | -50% | -50% |
| 2022-08 | -28% | -31% | -35% | -31% | 10% | 7% | 6% | 3% | -46% | -47% | -48% | -48% |
| 2022-09 | -23% | -29% | -33% | -30% | 0% | -2% | -4% | -2% | -44% | -46% | -47% | -46% |
| 2022-10 | -21% | -28% | -32% | -31% | 3% | 3% | 6% | 1% | -42% | -44% | -46% | -45% |
| 2022-11 | -13% | -20% | -27% | -24% | -2% | 0% | -2% | 2% | -40% | -42% | -44% | -44% |
| 2022-12 | -7% | -20% | -27% | -30% | 35% | 31% | 28% | 24% | -38% | -41% | -43% | -42% |
| 2023-01 | -20% | -25% | -30% | -32% | -50% | -48% | -48% | -48% | -20% | -25% | -30% | -32% |
| 2023-02 | 40% | 33% | 25% | 16% | 34% | 34% | 34% | 35% | 6% | 0% | -7% | -11% |
| 2023-03 | 36% | 37% | 36% | 31% | 38% | 39% | 38% | 38% | 18% | 13% | 8% | 4% |
| 2023-04 | 45% | 38% | 33% | 32% | -15% | -16% | -13% | -11% | 24% | 19% | 14% | 11% |
| 2023-05 | 11% | 8% | 5% | 3% | -13% | -13% | -15% | -18% | 21% | 17% | 12% | 9% |
| 2023-06 | -32% | -30% | -29% | -28% | 0% | 3% | 6% | 12% | 8% | 6% | 2% | 0% |
| 2023-07 | -33% | -36% | -36% | -36% | -35% | -37% | -38% | -36% | 2% | 0% | -3% | -5% |
| 2023-08 | -40% | -42% | -42% | -40% | -1% | -3% | -3% | -3% | -4% | -6% | -8% | -10% |
| 2023-09 | -27% | -27% | -25% | -29% | 22% | 24% | 23% | 15% | -7% | -8% | -10% | -12% |
| 2023-10 | -26% | -27% | -29% | -27% | 3% | 3% | 0% | 4% | -9% | -10% | -12% | -13% |
| 2023-11 | -27% | -28% | -29% | -32% | -2% | -2% | -2% | -5% | -10% | -12% | -14% | -15% |
| 2023-12 | -37% | -35% | -35% | -32% | 16% | 18% | 18% | 23% | -14% | -15% | -16% | -17% |
| 2024-01 | -35% | -35% | -35% | -35% | -48% | -48% | -47% | -50% | -35% | -35% | -35% | -35% |
| 2024-02 | -65% | -65% | -64% | -63% | -29% | -28% | -25% | -23% | -52% | -52% | -51% | -51% |
| 2024-03 | -41% | -43% | -45% | -45% | 136% | 126% | 110% | 104% | -47% | -48% | -48% | -48% |
| 2024-04 | -45% | -46% | -47% | -47% | -21% | -20% | -17% | -15% | -47% | -47% | -48% | -48% |
| 2024-05 | -31% | -33% | -33% | -32% | 8% | 7% | 8% | 6% | -44% | -45% | -45% | -45% |
| 2024-06 | -2% | -7% | -11% | -14% | 42% | 44% | 41% | 41% | -37% | -39% | -39% | -40% |
| 2024-07 | -18% | -16% | -15% | -17% | -45% | -43% | -41% | -38% | -35% | -36% | -37% | -37% |
| 2024-08 | -24% | -21% | -21% | -24% | -8% | -9% | -11% | -11% | -34% | -35% | -36% | -36% |
| 2024-09 | -33% | -33% | -34% | -36% | 8% | 6% | 4% | -3% | -34% | -35% | -36% | -36% |
| 2024-10 | 10% | 11% | 15% | 10% | 69% | 70% | 74% | 78% | -30% | -31% | -31% | -32% |
| 2024-11 | -10% | -5% | -1% | -3% | -20% | -17% | -16% | -16% | -28% | -29% | -29% | -30% |
| 2024-12 | -2% | -2% | 2% | 0% | 27% | 22% | 22% | 28% | -26% | -27% | -26% | -27% |
| 2025-01 | -8% | -6% | -4% | -1% | -52% | -50% | -51% | -51% | -8% | -6% | -4% | -1% |
| 2025-02 | 16% | 10% | 3% | 2% | -10% | -16% | -19% | -21% | 2% | 1% | -1% | 0% |
| 2025-03 | -13% | -11% | -9% | -11% | 77% | 84% | 87% | 78% | -5% | -5% | -5% | -5% |
| 2025-04 | -15% | -11% | -8% | -7% | -22% | -20% | -16% | -11% | -8% | -7% | -5% | -6% |
| 2025-05 | -9% | -9% | -9% | -10% | 15% | 9% | 6% | 2% | -8% | -7% | -6% | -7% |
| 2025-06 | -29% | -27% | -26% | -26% | 11% | 15% | 15% | 15% | -14% | -12% | -11% | -11% |
| 2025-07 | -23% | -25% | -28% | -27% | -41% | -42% | -43% | -38% | -15% | -14% | -13% | -13% |
| 2025-08 | -8% | -13% | -16% | -22% | 10% | 5% | 4% | -6% | -14% | -14% | -14% | -14% |
| 2025-09 | -3% | -4% | -3% | 3% | 14% | 17% | 20% | 29% | -13% | -13% | -13% | -13% |
| 2025-10 | -39% | -37% | -39% | -42% | 6% | 11% | 9% | 1% | -17% | -16% | -16% | -17% |
| 2025-11 | -28% | -32% | -35% | -36% | -5% | -10% | -10% | -8% | -18% | -18% | -18% | -19% |
| 2025-12 | -12% | -17% | -22% | -29% | 54% | 49% | 45% | 42% | -17% | -18% | -19% | -20% |
| 2026-01 | -21% | -23% | -26% | -29% | -56% | -54% | -53% | -51% | -21% | -23% | -26% | -29% |
| 2026-02 | -74% | -53% | -33% | -36% | -71% | -48% | -27% | -29% | -46% | -37% | -29% | -32% |
| 2026-03 | 6% | -6% | -20% | -19% | 635% | 265% | 124% | 127% | -22% | -23% | -25% | -26% |
| 2026-04 | 8% | 2% | -6% | -10% | -21% | -12% | -2% | -1% | -14% | -16% | -19% | -21% |
| 2026-05 | -2% | 2% | -2% | -2% | 5% | 9% | 10% | 11% | -11% | -12% | -15% | -17% |
| 2026-06 | -1% | -6% | -8% | -11% | 11% | 6% | 7% | 4% | -9% | -11% | -14% | -16% |
| 2026-07 | -8% | -4% | -7% | -11% | -45% | -40% | -41% | -39% | -9% | -10% | -13% | -15% |
| 2026-08 | -14% | -9% | -11% | -4% | 3% | -1% | -1% | 1% | -10% | -10% | -13% | -14% |

**Exhibit 3:** Top 100 developers – monthly attributable sales y-y change




**Exhibit 4:** Top 100 developers – YTD attributable sales y-y change



# Valuation Methodology and Risks

**Seazen Group Ltd (1030.HK)**

Our HK$3.83/share 2026e NAV comprises HK$3.39 of development properties (DCF, 8.8% WACC), HK$8.39 of investment properties (cap rate 6-9%) and HK$7.96 of net debt. To this we apply a 40% discount based on our developers' scorecard, comprising landbank (with a 5/10 score), execution (7), scale (6), growth (5), profitability (6), financing (7) and leverage (7). We use 30-45% discounts in our coverage.

**Risks to Upside**

- Stronger-than-expected contracted sales
- Stronger-than-expected new IP launches and IP operation
- Faster-than-expected land acquisition

**Risks to Downside**

- Weaker-than-expected contracted sales growth
- Faster-than-expected margin compression
- Weaker rental growth

Our HK$60.54/share 2026e NAV comprises HK$18.44 of development properties (DCF, 8.0% WACC), HK$55.72 of investment properties (cap rate 5-8%) and HK$13.62 of net debt. To this we apply a 30% discount based on our developers' scorecard, comprising landbank (with a 8/10 score), execution (8), scale (9), growth (8), profitability (8), financing (10) and leverage (10). We use 30-45% discounts in our coverage.

**Risks to Upside**

- Stronger-than-expected contracted sales.
- Accelerated openings of new malls.

**Risks to Downside**

- Weaker-than-expected contracted sales.
- Slower-than-expected openings of new shopping malls.

**Seazen Holdings Company Ltd. (601155.SS)**

Our Rmb29.38/share 2026e NAV comprises Rmb13.98 of development properties (DCF, 8.9% WACC), Rmb36.51 of investment properties (cap rate 6-8%) and Rmb21.10 of net debt. To this we apply a 40% discount based on our developers' scorecard, comprising landbank (with a 5/10 score), execution (7), scale (6), growth (5), profitability (6), financing (7), and leverage (7). We use 30-45% discounts in our coverage.

**Risks to Upside**

- Stronger-than-expected contract sales
- Stronger-than-expected new IP launching and IP operation
- Faster-than-expected land acquisition

**Risks to Downside**

- Faster-than-expected compression of development margin
- Weaker-than-expected growth of recurring income
- Slower-than-expected divestment of shopping malls into private REITs

**KE Holdings Inc (BEKE.N)**

Base case, derived from our DCF model. Key assumptions include 12% WACC and 3% terminal growth rate, in line with our Chinese Internet coverage.

**Risks to Upside**

- More demand-side policy relaxations in higher-tier cities to accelerate market recovery
- Better-than-expected sales efficiency improvement, driving accelerated adoption from third-party agency stores

**Risks to Downside**

- Property developers' liquidity crunch affecting the company's earnings and market sentiment
- Slower-than-expected further easing policies
- Resurgence of competition during the recovery cycle