CHINA PROPERTY

Inventory structure and balance sheet depth differentiate ROE recovery path; ASP key to upside; Buy COLI, CRL, Jinmao, upgrade CMSK to Buy

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We expect sales model reforms (here and here) to slow ROE recovery across the housing sector. Our analysis of inventory, city exposure, and balance sheet suggests that companies with higher saleable resources, longer duration of land reserves, higher exposure to higher-tier cities, and lower leverage/debt repayment pressures, notably COLI and CRL, are best positioned to adapt, while Seazen and Vanke face higher risks.

We believe ASP trends are now the key driver of ROE and reinvestment scale under deleveraging constraints. A move to a 20% project net margin (vs. our assumed 10%) could meaningfully boost recovery; however, this would require a ~20% rise in property prices or a 25% fall in land prices—scenarios we view as remote due to weak housing demand and competitive land bidding for attractive land parcels.

Outlook: Potential supply gaps may allow new tailored products to command higher prices, but this may be offset by forced liquidation of vintage inventory to meet high bond repayment pressures in 2027E-29E, especially among POE developers.

We lower underlying profit forecasts for our developers coverage by 2%-27% on average in 2026E-28E and introduce our 2029E forecasts. We also roll over our NAV estimate to end-2027E, which is on average 1% above end-2026E, reflecting higher prices in top cities (see our China Property 2027 Outlook companion report), but slower asset turnover. As a result, we revise 12-month NAV-based target prices for our coverage by -24% to +13%, implying average 14% upside (including 2% 2027E dividend yield). We upgrade CMSK to Buy on the back of sector-leading footprint in core cities with solid profitability recovery/earnings growth outlook; and downgrade Greentown to Neutral due to comparatively weaker balance sheet, which could undermine ROE recovery and future scale visibility. We retain our Buy ratings on COLI, CRL and Jinmao; and Sell ratings on Seazen and Vanke A/H.

Key risks: (+/-) above-/below-expectation property price trends; (+) significant project level cooperation to mitigate funding constraints for new investments and hence better scale outlook; (+) unexpected funding injections into POE developers' projects that increase their saleable resources; (-) unexpected refinancing/bank loan rollover difficulties.

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COLI (0688.HK): Leading land bank quality and balance sheet depth underscore its consolidation potential; Buy 8

CR Land (1109.HK): Well-positioned for DP sales model transition with sector-leading return profile; Buy 12

Jinmao (0817.HK): Visible margin and return improvements ahead; Buy 15

CMSK (001979.SZ): Strong footprint in core cities with solid profitability recovery/earnings growth outlook; up to Buy 18

Greentown (3900.HK): Higher deleveraging pressure suggests slower ROE improvement; down to Neutral 22

Poly (600048.SS): Deleveraging limits reinvestment, eroding scale advantage and leading to slower earnings recovery; Neutral 26

Longfor (0960.HK): Near-term DP headwinds to intensify; leading deleveraging progress provides potential reinvestment headroom around 2029E; Neutral 29

Seazen (1030.HK): Most impacted (negative) from the new sales model; Sell 32

Vanke (000002.SZ/2202.HK): Deteriorating DP earnings and persistent balance sheet constraints; Sell 35

Disclosure Appendix 38

Related research

China Property: 2027 Outlook: Four Key Pivot Points Driving a New Equilibrium Towards 2035

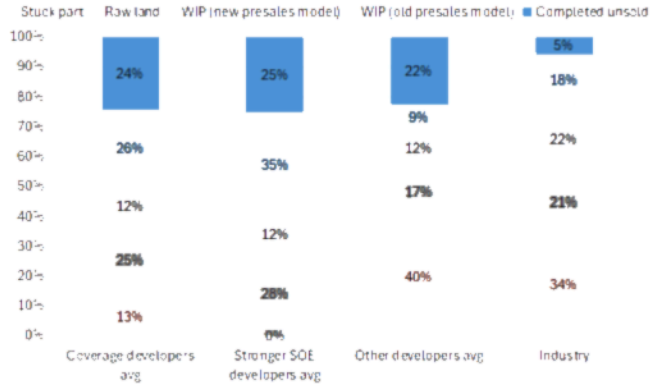
China Property: Improving land investment efficiency to lift margin/ROE and support further valuation recovery

China Real Estate: Quantify the impacts from a completed property sales model

China Property: Transition to a new sales model: limited near-term impact, but healthier industry development over the longer term

Exhibit 1: We estimate half/60% of our covered developers/stronger SOE developers' inventory can still adopt the old presales model, higher than 23% for the industry

Summary of total unsold inventory breakdown by status and sales model, developers coverage vs. broader industry, as of end-26E

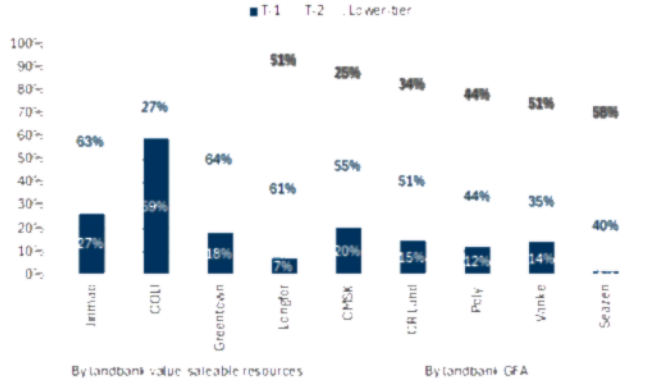


"Stuck part" of the inventory: low likelihood of being fully developed and become saleable due to challenging sell-through outlook, liquidity restraints, etc.; more detailed discussion available in our China Property 2027 Outlook companion report.

Source: Goldman Sachs Global Investment Research

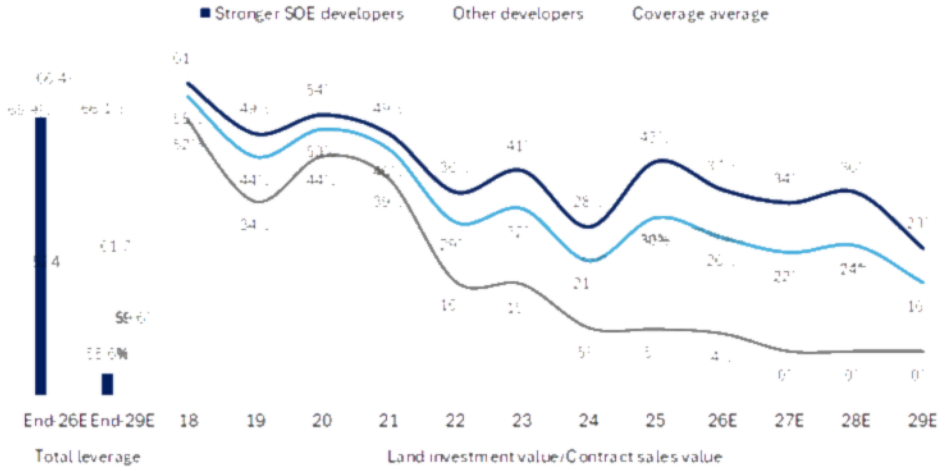
Exhibit 2: Jinmao, COLI and CMSK are ranked top in terms of combined exposure to tier-1/2 cities

Summary of inventory breakdown by city tier for developers coverage, as of 1H26



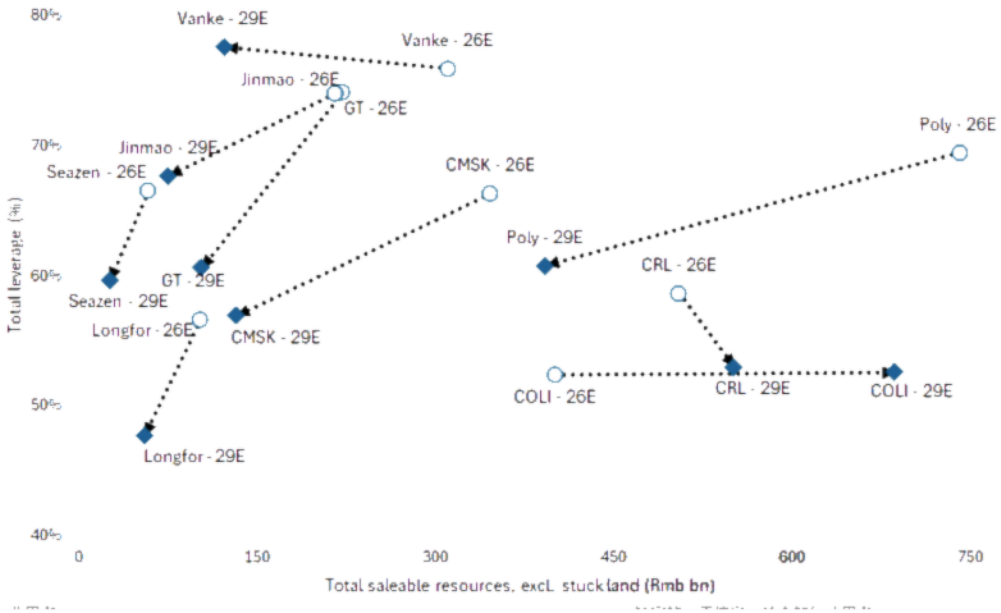
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: We expect still solid reinvestment intensity for our covered stronger SOE developers despite the property sales model transition
Summary of covered developers' total leverage and land investment intensity



Source: Company data, Goldman Sachs Global Investment Research

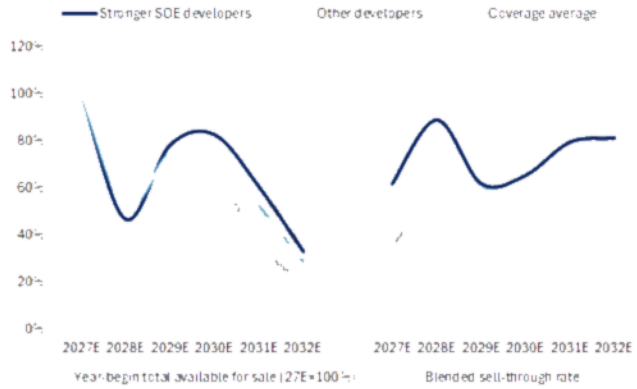
Exhibit 4: We expect most of our covered developers to see shrinking land banks alongside de-leveraging in coming years, except for COLI and CR Land, which are positioned for ahead-of-peers new land investment on stronger balance sheet and quality land bank
Summary of total leverage ratio and total saleable resources for our developers coverage, end-29E vs. end-26E



Source: Goldman Sachs Global Investment Research

Exhibit 5: We expect covered SOE developers' saleable resources to recover following the decline in upcoming two years

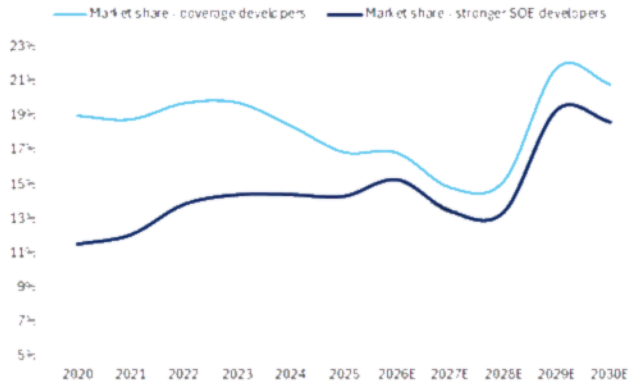
Covered developers' saleable resources and sell-through rates



Source: Goldman Sachs Global Investment Research

Exhibit 6: We expect covered stronger SOEs to account for c.20% of nationwide market share in 2029E-30E in terms of property sales...

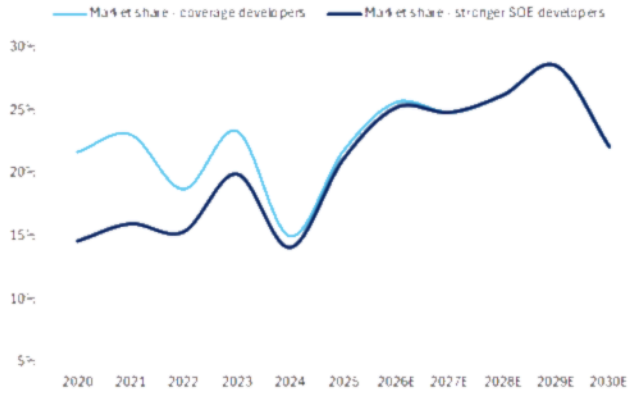
Market share of covered developers, by property sales value



Source: NBS, Company data, Goldman Sachs Global Investment Research

Exhibit 7: ...and c.25% by land sales value

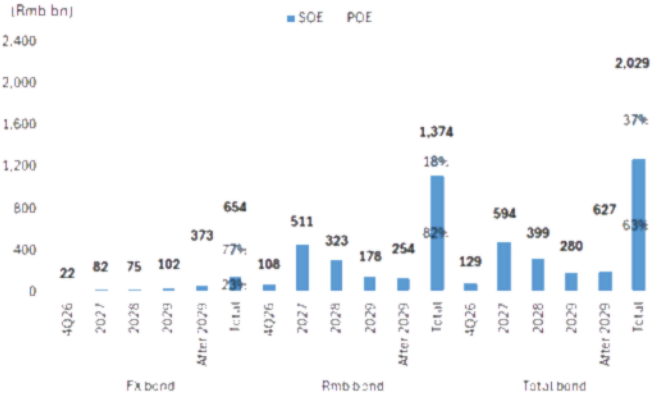
Market share of covered developers, by land sales value



Source: CREIS, Company data, Goldman Sachs Global Investment Research

Exhibit 8: Bond repayment pressure remains high for POE developers (vs. declining in 2027E-29E for SOE developers), potentially leading to different inventory selling strategies (i.e., prioritizing cash over ASP/margin) for POE developers

Broader developers' bond maturity schedule by nature of enterprise and denominated currency



Source: CREIS, Data compiled by Goldman Sachs Global Investment Research

Exhibit 9: Covered developers' bond (incl. Rmb and FX bonds) maturity schedule

(Rmb mn)	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	2027	2028	2029	2030	Others	Sum
COLI	3,190	3,200	800	2,700	1,000	-	1,200	2,500	-	2,000	-	500	1,000	-	4,500	15,200	9,927	14,567	11,752	23,146	81,801
CR Land	-	-	1,000	-	-	4,000	5,000	-	1,000	2,000	1,200	2,200	-	7,000	-	22,400	18,811	14,841	17,300	3,000	77,352
Seazen	-	-	850	-	-	-	-	800	-	-	-	630	-	-	-	1,430	2,411	4,500	3,650	750	13,591
Jinmao	-	-	-	-	-	-	-	-	3,000	-	2,000	50	-	-	-	5,050	2,000	10,802	1,700	5,000	24,352
Greentown	-	1,800	1,000	1,000	-	1,500	-	1,000	1,000	-	1,000	1,000	-	-	-	6,500	12,852	7,511	-	-	29,862
Longfor	-	-	1,200	111	-	498	1,676	-	-	-	93	-	-	-	-	2,377	3,589	5,898	800	2,681	16,345
CMSK	2,100	5,340	1,600	645	-	710	-	-	5,000	-	2,100	3,500	1,260	-	3,050	16,265	22,940	11,190	-	-	50,435
Poly A	-	2,000	-	2,000	-	4,400	500	2,000	1,810	10	375	50	500	-	6,000	17,645	3,600	10,900	-	29,800	83,945
Vanke	-	-	3,417	-	-	1,100	1,198	1,198	1,198	4,000	-	-	-	6,703	-	15,397	1,934	3,161	-	-	23,908
Total	5,290	12,340	9,867	6,456	1,000	12,208	9,373	7,498	13,009	8,010	6,768	7,930	2,760	13,703	13,550	102,265	78,063	82,989	35,202	64,377	390,392
SOE	5,290	12,340	7,817	6,345	1,000	11,710	7,698	6,698	13,009	8,010	6,675	7,300	2,760	13,703	13,550	98,457	72,063	72,792	30,752	60,946	360,456
POE	-	-	2,050	111	-	498	1,676	800	-	-	93	630	-	-	-	3,807	6,000	10,197	4,450	3,431	29,936

Source: Datastream, Data compiled by Goldman Sachs Global Investment Research

EPS & Valuation: Updating estimates and rolling over valuation to end-27E

We revise down 2026E-28E underlying profit estimates for our developers coverage by 2% to 27% on average after factoring in: (1) Lower contract sales estimates in 2027E-28E as a result of new sales model implementation; (2) lower margin estimates for POE developers that need to prioritize cash over profitability by reducing ASPs for vintage inventory under the new sales model; and (3) the latest land banking by stronger SOE developers. Our 2026E-28E underlying profit estimates are on average 32%-37% below consensus. We also introduce our 2029E underlying profit forecasts. Refer to company sections for more details.

Exhibit 10: Summary of 2026E-29E estimates for our developers coverage vs. Bloomberg consensus and prior GSe

		Underlying profit										Revenue										Margin									
Rmb bn		Underlying profit (GSe)				% difference vs. consensus (BBG)			% difference vs. prior GSe			Revenue (GSe)				% difference vs. consensus (BBG)			% difference vs. prior GSe			Underlying margin (GSe)				% difference vs. consensus (BBG)			% difference vs. prior GSe		
Stonger SOE developers		26E	27E	28E	29E	26E	27E	28E	26E	27E	28E	26E	27E	28E	29E	2026E	2027E	2028E	26E	27E	28E	26E	27E	28E	29E	26E	27E	28E	26E	27E	28E
CMSK	001979 SZ	1.0	2.4	2.9	3.8	-20%	12%	10%	-7%	-22%	-23%	149	140	132	139	3%	0%	-4%	-1%	-2%	-4%	1%	2%	2%	3%	0pt	0pt	0pt	0pt	0pt	-1pt
COL	0688 HK	13.3	13.5	15.6	19.1	7%	4%	13%	0%	-3%	-2%	194	183	185	208	15%	10%	12%	-1%	-2%	2%	7%	7%	8%	9%	0pt	0pt	0pt	0pt	0pt	0pt
CR_	1109 HK	20.1	20.9	23.9	29.3	-10%	-11%	-4%	0%	-3%	7%	235	232	233	265	-1%	-1%	-2%	-2%	-1%	11%	9%	9%	10%	11%	-1pt	-1pt	0pt	0pt	0pt	0pt
Greentown	3900 HK	0.4	0.7	0.8	0.9	55%	-11%	-42%	-22%	-51%	-66%	126	104	63	60	-2%	-13%	-46%	0%	-12%	-44%	0%	1%	1%	1%	0pt	0pt	0pt	0pt	-1pt	-1pt
Jinmao	0817 HK	0.7	1.5	1.9	2.7	-41%	-3%	9%	0%	-4%	-27%	60	50	51	54	1%	-19%	-21%	0%	-21%	-23%	1%	3%	4%	4%	-1pt	1pt	1pt	0pt	1pt	0pt
Poly (A)	600048 SS	(0.9)	(0.8)	(0.7)	1.9	-162%	-141%	-128%	27%	17%	4%	254	214	189	185	-5%	-11%	-18%	-1%	-1%	0%	0%	0%	0%	1%	-1pt	-1pt	-2pt	0pt	0pt	0pt
Average						**-29%**	**-25%**	**-23%**	**0%**	**-11%**	**-18%**					**2%**	**-6%**	**-13%**	**-1%**	**-6%**	**-10%**	**3%**	**4%**	**4%**	**5%**	**-1pt**	**0pt**	**0pt**	**0pt**	**0pt**	**0pt**
Other developers																															
Longfor	0960 HK	(2.7)	0.7	2.0	4.0	-50%	-63%	-36%	-16%	-44%	-18%	74	55	50	48	-9%	-24%	-28%	0%	-22%	-27%	-4%	1%	4%	8%	-1pt	-1pt	-1pt	-1pt	0pt	0pt
Seazen	1030 HK	0.2	0.1	0.4	0.3	-61%	-88%	-75%	4%	-74%	-57%	40	33	29	29	4%	6%	6%	0%	1%	6%	1%	0%	1%	1%	-1pt	-3pt	-4pt	0pt	-1pt	-2pt
Vanke	000002 SZ	(28.9)	(19.5)	(17.9)	(19.3)	-10%	-19%	-79%	0%	-19%	-58%	149	118	116	125	-18%	-21%	-19%	0%	0%	0%	-19%	-17%	-15%	-15%	-5pt	-6pt	-8pt	0pt	-3pt	-6pt
Average						**-40%**	**-57%**	**-63%**	**-4%**	**-46%**	**-45%**					**-8%**	**-13%**	**-14%**	**0%**	**-7%**	**-7%**	**-7%**	**-5%**	**-3%**	**-2%**	**-2pt**	**-3pt**	**-4pt**	**0pt**	**-1pt**	**-2pt**
Overall average						**-32%**	**-36%**	**-37%**	**-2%**	**-23%**	**-27%**					**-1%**	**-8%**	**-13%**	**0%**	**-7%**	**-8%**					**-1pt**	**-1pt**	**-1pt**	**0pt**	**-1pt**	**-1pt**

Source: Bloomberg, Goldman Sachs Global Investment Research

We introduce end-27E NAV estimates for our developers coverage, which are about -14% to +12% compared to those for end-26E, and widen our TP NAV discounts by 10pp for Jinmao, Greentown, Longfor, Seazen and Vanke given their balance sheet constraints in weathering the transition to the new sales model. Correspondingly, we revise 12-month TPs for our coverage by -24% to +13%, implying average 26%/4% upside/downside for stronger SOE developers/other developers against October 16 closing prices, respectively. Our new TPs imply an average 0.6X 2026E P/B against 3.0% 2027E-29E underlying ROE, and we also cross-check with P/B-ROE trend lines in Exhibit 13 and Exhibit 14.

Exhibit 11: Summary of NAVs, 12-month target prices and ratings for our developers coverage

			Rating		NAV (LCY)			TP NAV discount			TP chg			Potential upside/downside	
	Ticker	LCY	New	Old	End-27E (new)	End-26E (old)	Diff (%)	End-27E (new)	End-26E (old)	Diff (pt)	New	Old	Chg (%)	Shr price as of Oct 16	Upside/ downside
Developers coverage															
Jinmao	0817 HK	(HK$)	Buy	Buy	**2.1**	2.1	3	**-20%**	-10%	-10	**1.70**	1.85	-8	1.3	**35%**
CR Land	1109 HK	(HK$)	Buy	Buy	**45.6**	43.2	6	**-10%**	-10%	0	**41.00**	38.80	6	31.1	**32%**
COLI	0688 HK	(HK$)	Buy	Buy	**19.2**	18.6	3	**-10%**	-10%	0	**17.20**	16.80	2	13.2	**31%**
CMSK	001979 SZ	(Rmb)	**Buy**	Neutral	**11.5**	10.2	12	**-15%**	-15%	0	**9.80**	8.70	13	7.7	**27%**
Longfor	0960 HK	(HK$)	Neutral	Neutral	**9.7**	9.9	-2	**-35%**	-25%	-10	**6.30**	7.50	-16	5.0	**25%**
Greentown	3900 HK	(HK$)	**Neutral**	Buy	**9.6**	11.1	-14	**-25%**	-15%	-10	**7.20**	9.50	-24	6.0	**20%**
Poly	600048 SS	(Rmb)	Neutral	Neutral	**6.8**	6.7	1	**-10%**	-10%	0	**6.10**	6.10	0	5.5	**11%**
Vanke (H)	2202 HK	(HK$)	Sell	Sell	**3.9**	3.8	3	**-45%**	-35%	-10	**2.20**	2.50	-12	2.4	**-9%**
Seazen	1030 HK	(HK$)	Sell	Sell	**3.0**	3.1	-2	**-60%**	-50%	-10	**1.22**	1.55	-21	1.4	**-12%**
Vanke (A)	000002 SZ	(Rmb)	Sell	Sell	**3.6**	3.5	3	**-20%**	-10%	-10	**2.90**	3.20	-9	3.7	**-21%**
Average							**1**	**-30%**	**-20%**	**-6**			**-7**		**14%**
Stronger SOE developers							**2**	**-20%**	**-10%**				**-2**		**26%**
Other developers							**0**	**-40%**	**-30%**				**-15**		**-4%**

Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 12: Summary of P/B-ROE trends for our developers coverage (excl. Vanke)

		Avg. ROE (25-26E)	Avg. ROE (27E-29E)	Trading PB (end-26E)	Trading PB prem/disc vs. trendline	TP implied PB (end-26E)	TP implied PB prem/disc vs. trendline
001979.SZ	CMSK	1.1%	3.0%	0.71X	51%	0.90X	54%
0688.HK	COLI	4.0%	4.3%	0.40X	-30%	0.52X	-29%
1109.HK	CR Land	7.4%	7.6%	0.90X	10%	1.19X	7%
3900.HK	Greentown	0.7%	2.2%	0.39X	-6%	0.47X	6%
0817.HK	Jinmao	1.6%	4.6%	0.53X	-11%	0.72X	-8%
600048.SS	Poly	0.03%	0.07%	0.35X	33%	0.38X	40%
0960.HK	Longfor	-1.7%	1.7%	0.26X	-30%	0.33X	-26%
1030.HK	Seazen	0.9%	0.7%	0.26X	-14%	0.23X	-31%

Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 13: Correlation between trading P/B (end-26E) and avg. ROE (27E-29E)



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 14: Correlation between TP-implied P/B (end-26E) and avg. ROE (27E-29E)



Source: Goldman Sachs Global Investment Research

Exhibit 15: China developers' valuation comparisons

Company	Ticker	Mkt Cap (US$ bn)	Daily liquidity (US$ mn) 1 mth trailing	Type	Rating	Price as of 16/Oct/26	12 mth Price target	Potential upside/ downside (%)	Target price disc to NAV	End-27E NAV	Shr price (disc)/ prem to NAV	FD Core P/E (x) 26E	27E	28E	29E	P/B (x) (excl. revaluation gain) 26E	27E	28E	29E	Dividend yield (%) 26E	27E	28E	29E
Developers																							
Stronger SOE developers																							
CMSK	001979.SZ	13.4	126	Central SOE	Buy	7.46	Rmb11.00	27	-44%	11.50	-35%	47.6	28.4	24.2	18.4	0.7	0.7	0.7	0.7	3.7	1.6	1.9	2.5
COLI	0688.HK	18.4	46	Central SOE	Buy	17.72	HK$17.20	31	-10%	19.16	-15%	9.9	9.8	8.5	6.9	0.4	0.4	0.4	0.4	3.9	3.9	4.4	5.5
CR Land	1109.HK	29.7	103	Central SOE	Buy	31.00	HK$41.00	32	-10%	45.57	-32%	10.1	9.7	8.7	6.9	0.9	0.9	0.8	0.7	3.7	3.8	4.4	5.5
Greentown	3900.HK	1.8	9	Mixed ownership	Neutral	7.00	HK$7.20	26	-27%	9.81	-38%	44.2	18.8	17.1	11.7	0.4	0.4	0.4	0.4	3.9	2.7	2.9	3.7
Jinmao	0817.HK	2.2	8	Central SOE	Buy	5.21	HK$5.70	36	-20%	2.12	+41%	21.2	10.8	8.1	7.3	0.1	0.5	0.1	0.1	2.3	3.9	4.8	5.1
Poly	600048.SS	9.9	208	Central SOE	Neutral	5.52	Rmb6.10	31	-10%	6.78	-19%	n.m.	n.m.	n.m.	n.m.	0.1	0.3	0.1	0.1				1.2
Average								**26**	**-19%**		**(32)**	**21.2**	**10.1**	**8.5**	**7.3**	**0.5**	**0.5**	**0.5**	**0.5**	**1.9**	**2.7**	**3.1**	**3.9**
Other developers																							
Longfor	0960.HK	4.6	21	Private	Neutral	5.01	HK$6.30	26	-35%	9.75	-49%	n.m.	50.3	19.1	9.7	0.3	0.3	0.2	0.2		0.6	1.9	3.7
Seazen	1030.HK	1.1	4	Private	Sell	1.19	HK$1.22	-2	-60%	3.04	-61%	9.0	54.8	21.9	9.7	0.1	0.3	0.1	0.2		-		
Vanke-A	000002.SZ	5.1	338	Mixed ownership	Sell	7.06	Rmb2.90	-57	-87%	3.60	-2	n.m.	n.m.	n.m.	n.m.	0.1	0.2	0.2	0.2				
Vanke-H	2202.HK	3.7	19	Mixed ownership	Sell	2.41	HK$2.20	-9	-87%	3.02	-20%	n.m.	n.m.	n.m.	n.m.	0.1	0.4	0.2	0.2				
Average								**(4)**	**-40%**		**(35)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.4**	**0.5**	**0.7**	**-**	**0.1**	**0.8**	**0.9**
Coverage average								**14**			**(33)**	**31.6**	**27.4**	**15.3**	**13.4**	**0.5**	**0.5**	**0.5**	**0.6**	**1.1**	**1.7**	**2.0**	**2.7**

Source: Datastream, Goldman Sachs Global Investment Research

COLI (0688.HK): Leading land bank quality and balance sheet depth underscore its consolidation potential; Buy

0688.HK	12m Price Target: HK$17.2	Price: HK$13.17	Upside: 30.6%

Buy

	GS Forecast	12/25	12/26E	12/27E	12/28E
Market cap: HK$144.1bn / $18.4bn	**Revenue (Rmb mn) New**	**168,088.8**	**193,893.1**	**183,044.8**	**185,472.5**
Enterprise value: HK$357.5bn / $45.6bn	Revenue (Rmb mn) Old	168,088.8	194,918.7	187,583.9	181,566.7
3m ADTV :HK$351.7mn/ $44.8mn	EBITDA (Rmb mn)	19,279.8	22,828.3	24,743.7	30,394.5
China	**EPS (Rmb) New**	**1.19**	**1.22**	**1.24**	**1.43**
China Property	EPS (Rmb) Old	1.19	1.22	1.27	1.45
	P/E (X)	10.5	9.2	9.1	7.9
M&A Rank: 3	P/B (X)	0.4	0.3	0.3	0.3
Leases incl. in net debt & EV?: No	Dividend yield (%)	3.6	4.1	4.2	4.8
	CROCI (%)	6.6	5.4	5.3	5.5
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	0.72	0.49	0.49	0.74

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

COLI has the highest land bank quality given its highest exposure to tier-1 cities in our coverage. In addition, we estimate 2/3 of its inventory (in saleable terms) can still adopt the old presales model, providing buffer for its contract sales as well as reinvestment. We also note COLI has the strongest balance sheet in our coverage, with its total leverage at 52% as of end-1H26. Without deploying capital for new investments, we estimate its leverage could be reduced to 46% by end-2029E. Assuming COLI keeps its leverage largely unchanged, total capital available for new investments from balance sheet deployment will be Rmb340bn during 2027E-29E, leading to a more resilient land investment/contract sales ratio during the period (~75% vs. sector average ~20%) as well as expanded saleable resources at end-29E vs. end-26E as shown in Exhibit 16. As such, we expect solid recovery of its contract sales in 2029E following a two-year decline in 2027E-28E, with 2031E sales scale potentially comparable to that of 2026E (stronger than peers). That said, we believe COLI still needs to build a more sizable recurring income to support longer-term scale expansion as well as profitability improvement.

Profitability & return

With 1) accumulated development expertise and track record of strong execution, and 2) upwardly revised core cities' price forecasts (we now raise our 2-year ASP increase forecast for Shanghai and Shenzhen to 20% from 15% prior) where COLI has sizable exposure, as well as higher ASP potential for products with competitive positioning amid the supply gap, we project COLI's DP GPM to gradually ramp up to above 20% by 2029E (7pp recovery from the FY25 trough and back to FY21 levels), hence supporting core margins to recover to 9% and underlying ROE to improve to 5.3% by 2029E (+2.3 and 1.3pp from troughs). Meanwhile, we continue to expect COLI to deliver one of the most attractive shareholder returns in our developers coverage with a steady 40% payout ratio for 2027E-29E, implying a 5.5% dividend yield in 2029E. That said, while we maintain our dividend payout forecasts for COLI in upcoming years, we note that in the

longer run, the company's shrinking cash available for land investments will likely prompt management to reassess the prioritization between reinvestment and dividend payment.

Forecasts, TP changes & valuation

We fine-tune our 2026E-28E underlying profits by -3% to 0%; we also introduce our 2029E underlying profit (Rmb19.1bn, implying a 13% CAGR in 2026E-29E) and end-27E NAV of HK$19.2 (+3% from prior end-26E NAV). As a result, we raise our 12m NAV-based target price for COLI by 2% to HK$17.2 (implying 31% upside against the October 16 closing price), based on an unchanged 10% TP NAV discount. COLI trades at a 31% discount to end-27E NAV, 0.4X 2027E P/B and 3.9% 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Maintain Buy. Our current 2026E-28E topline/underlying profit estimates for COLI are on average 12%/8% above Bloomberg consensus, respectively.

Investment Thesis

We are Buy rated on COLI. We believe COLI has peer-leading land bank quality in terms of exposure to core cities as well as inventory development status (2/3 of end-26E unsold inventory could still adopt the old presales model, providing buffer for contract sales and reinvestment). The company also has the strongest balance sheet in our coverage, providing room for capital deployment into new investments and market share gains amid the current industry transition, and we expect COLI's contract sales scale to potentially return to 2026 levels by 2030-31 post the disruption from the new sales model transition, which could only be achieved by few developers across the whole China DP space, in our view. With strong development expertise and execution, we expect the company's GPM and core margin to return to above 20% and nearly 10% levels by 2029E, respectively, supporting one of the most attract dividend yields.

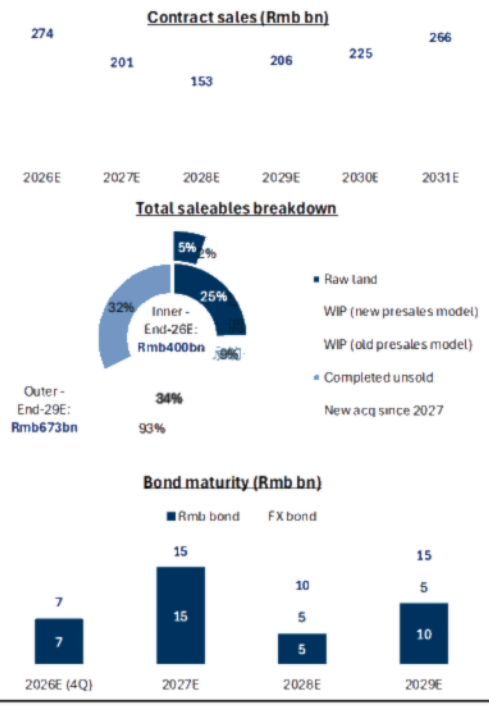
Price Target Risks & Methodology

Our 12m target price of HK$17.2 is based on a 10% discount to end-2027E NAV/share.

Key risks: Sales and margin miss; below-expectation land banking scale that could hamper its longer-term growth outlook.

Exhibit 16: Summary of key financials and operation metrics - COLI

COLI (0688.HK)					
Rating	Buy				
End-27E NAV	(HK$)	19.2			
12-m TP	(HK$)	17.2			
TP implied upside	(%)	31%	*As of Oct 16, 2026*		
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	194	183	185	208
DP	(Rmb bn)	*182*	*170*	*172*	*194*
IP	(Rmb bn)	*7*	*8*	*8*	*8*
Others	(Rmb bn)	*5*	*5*	*5*	*6*
Core profit	(Rmb bn)	13.3	13.5	15.6	19.1
Profitability					
GPM	(%)	15%	17%	20%	22%
DP	(%)	*14%*	*16%*	*18%*	*21%*
IP	(%)	*47%*	*50%*	*52%*	*52%*
Others	(%)	*13%*	*13%*	*13%*	*13%*
Core margin	(%)	6.9%	7.4%	8.4%	9.1%
Return					
Underlying ROE	(%)	4.0%	3.9%	4.2%	4.9%
Cash flow & leverage					
Total leverage	(%)	52%	54%	54%	53%
FCF	(Rmb bn)	7.7	-37.5	-23.0	-7.3
Dividend	(Rmb bn)	5.1	5.1	5.9	7.2
Div. yield	(%)	3.8%	3.9%	4.5%	5.5%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 17: Summary of financials - COLI

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**168,089**	**193,893**	**183,045**	**185,473**	**208,248**
Cost of goods sold	(142,024)	(164,044)	(151,865)	(148,962)	(163,188)
SG&A	(6,807)	(6,848)	(6,436)	(6,116)	(8,220)
EBITDA	**19,280**	**22,828**	**24,744**	**30,395**	**36,839**
Depreciation & amortization	(379)	(386)	(393)	(399)	(408)
EBIT	**18,901**	**22,442**	**24,351**	**29,996**	**36,431**
Interest income	1,132	1,055	918	1,025	1,061
Interest expense	(728)	(666)	(722)	(841)	(903)
Income/(loss) from uncons. subs.	522	461	411	416	651
Others	781	(510)	393	399	408
Pretax profits	**20,609**	**22,791**	**25,351**	**30,995**	**37,648**
Income tax	(7,178)	(9,443)	(10,479)	(13,475)	(16,395)
Minorities	(740)	(901)	(1,335)	(1,896)	(2,198)
Net income pre-preferred dividends	**12,691**	**12,447**	**13,537**	**15,623**	**19,054**
Preferred dividends	0	0	0	0	0
Net income (pre-exceptionals)	**12,691**	**12,447**	**13,537**	**15,623**	**19,054**
Post-tax exceptionals	0	0	0	0	0
Net income	**12,691**	**12,447**	**13,537**	**15,623**	**19,054**
Underlying profit	**13,010**	**13,347**	**13,537**	**15,623**	**19,054**
Basic EPS (Rmb)	1.16	1.14	1.24	1.43	1.74
Underlying EPS (Rmb)	1.19	1.22	1.24	1.43	1.74
DPS (Rmb)	0.45	0.46	0.47	0.54	0.66

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-9%	15%	-6%	1%	12%
EBITDA growth	-23%	18%	8%	23%	21%
EBIT growth	-23%	19%	9%	23%	21%
Net income growth	-19%	-2%	9%	15%	22%
EPS growth	-17%	3%	1%	15%	22%
Gross margin	16%	15%	17%	20%	22%
EBITDA margin	11%	12%	14%	16%	18%
EBIT margin	11%	12%	13%	16%	17%
Underlying profit margin	8%	7%	7%	8%	9%
Dividend payout ratio	38%	38%	38%	38%	38%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	12,691	12,447	13,537	15,623	19,054
D&A add-back	379	386	393	399	408
Minorities interests add-back	740	901	1,335	1,896	2,198
Net (inc)/dec working capital	4,986	9,362	(28,701)	(15,340)	12,902
Other operating cash flow	(2,063)	(11,163)	(19,288)	(20,126)	(40,239)
Cash flow from operations	**16,733**	**11,934**	**(32,724)**	**(17,548)**	**(5,677)**
Capital expenditures	(226)	(541)	(511)	(517)	(581)
Acquisitions	0				
Divestitures	3,353				
Others	(13,392)	(3,737)	(4,239)	(4,933)	(1,083)
Cash flow from investments	**(10,265)**	**(4,278)**	**(4,750)**	**(5,451)**	**(1,664)**
Dividends paid (common & pref)	(5,505)	(4,506)	(5,064)	(5,136)	(5,928)
Inc/(dec) in debt	(13,141)	(10,151)	60,000	40,000	20,000
Common stock issuance (repurchase)	0				
Other financing cash flows	(8,268)	(6,863)	(7,215)	(8,406)	(9,028)
Cash flow from financing	**(26,914)**	**(21,750)**	**47,721**	**26,457**	**5,045**
Total cash flow	**(20,446)**	**(14,094)**	**10,246**	**3,458**	**(2,297)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	102,362	88,267	98,514	101,972	99,676
Accounts receivable	14,982	13,812	13,039	13,212	14,834
Inventory	495,472	492,512	524,969	555,028	549,079
Other current assets	32,828	31,187	31,187	31,187	32,746
Total current assets	**645,624**	**625,778**	**667,709**	**701,400**	**696,335**
Net PP&E	7,138	7,293	7,411	7,529	7,702
Net intangibles	56	56	56	56	56
Total investments	49,389	50,261	51,621	52,753	53,404
Other long-term assets	213,490	216,815	220,166	224,324	225,407
Total assets	**915,697**	**900,204**	**946,903**	**986,062**	**982,904**
Accounts payable	66,657	71,910	74,893	89,785	98,360
Short-term loans	47,316	64,860	84,860	94,860	94,860
Other current liabilities	153,616	135,172	109,080	80,963	32,527
Total current liabilities	**262,589**	**271,942**	**268,833**	**265,609**	**225,748**
Long-term debt	205,059	172,364	212,364	242,364	262,364
Other long-term liabilities	28,150	27,587	27,587	27,587	28,966
Total liabilities	**495,798**	**471,893**	**508,784**	**535,560**	**517,078**
Preferred shares	-	-	-	-	-
Total common equity	**387,948**	**395,459**	**403,932**	**414,419**	**427,546**
Minority interest	31,951	32,852	34,187	36,083	38,280
Total liabilities & equity	**915,697**	**900,204**	**946,903**	**986,062**	**982,904**
BVPS (Rmb)	**35.45**	**36.13**	**36.91**	**37.86**	**39.06**
RNAV (Rmb mn)			**192,371**		
RNAVPS (Rmb)			**17.58**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	4%	4%	4%	4%	5%
ROA (%)	1%	1%	1%	2%	2%
Inventory days	1,273	1,096	1,262	1,360	1,228
Receivables days	32	26	26	26	26
Payable days	171	160	180	220	220
Net debt/equity (%)	34%	35%	45%	52%	55%
Total liabilities/total assets (%)	54%	52%	54%	54%	53%

Source: Company data, Goldman Sachs Global Investment Research

CR Land (1109.HK): Well-positioned for DP sales model transition with sector-leading return profile; Buy

1109.HK **12m Price Target: HK$41** **Price: HK$31.06** **Upside: 31.9%**

Buy

Market cap: HK$221.5bn / $28.2bn
Enterprise value: HK$561.9bn / $71.6bn
3m ADTV :HK$758.1mn/ $96.7mn
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) New	**281,437.9**	**235,009.4**	**232,117.0**	**233,339.6**
Revenue (Rmb mn) Old	281,437.9	239,877.6	233,405.6	209,563.4
EBITDA (Rmb mn)	46,689.6	34,795.8	38,927.3	43,573.6
EPS (Rmb) New	**3.15**	**2.82**	**2.93**	**3.35**
EPS (Rmb) Old	3.15	2.83	3.03	3.15
P/E (X)	8.1	9.4	9.0	7.9
P/B (X)	0.6	0.6	0.6	0.6
Dividend yield (%)	4.6	3.9	4.1	4.7
CROCI (%)	6.9	8.1	7.7	9.6

	6/26	12/26E	6/27E	12/27E
EPS (Rmb)	1.42	1.39	1.17	1.76

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

CR Land has quality land reserves with sizable exposure to tier-1/2 cities (~2/3 by land bank size in 1H26) with relatively prudent provisions against aged inventory in our stronger SOE developers coverage (~10% in 1H26, vs. LSD % to MSD % for most peers). Given the company **1)** has a relatively solid balance sheet (total leverage of 59% by end-26E, vs. coverage average of 66%), with **2)** ample access to low-cost funding on the back of its SOE group resources, and **3)** sustainable cash flow from recurring income (above Rm30bn p.a. from 2028E onward), we assume total new investments of ~Rmb250bn in 2027E-29E. This would be equivalent to nearly 50% of contract sales, re-accelerating from the average 30% in 2024-26E and on par with average land acquisition intensity during 2021-23, and well ahead of peers' ~20% on average in 2027E-29E, hence expanding saleable resources in end-29E vs. end-26E as shown in Exhibit 18. As such, we also project contract sales disruption for CR Land in coming two years, followed by steady recovery after 2029E, with 2030E-31E sales scale recovering to above Rmb200bn, i.e., only moderately below FY26 levels. In our view, such reinvestment does not appear demanding on CR Land's balance sheet, and we still expect the company's total leverage ratio to steadily decline to 53% in 2029E (i.e., similar to COLI).

Profitability & return

Overall, we project **1)** accounting GPM for CR Land's development property business to expand by 6pp to mid-teen % levels towards 2029E from the 2026E trough on the back of high ASP potential given CR Land's competitive product positioning amid the supply gap and above-SOE-peers provision. This, coupled with **2)** solid recurring profits generated from CR Land's nationwide top-tier mall portfolio (127 malls by 2030E, per management's 15th FYP target) and strong operational expertise, which could account for average 40%+ of total profit in 2027E-29E, and **3)** potential disposal gains from capital recycling by leveraging commercial C-REITs (management guided securitization of Rmb5-10bn of IP assets p.a.), could together bolster core margins to recover to over

11% (similar to the 2021-23 average and ranking top in our coverage) and underlying ROE to improve to 9% by 2029E (+2pp from trough). As such, keeping our dividend payout forecasts unchanged vs. 2025-26E for upcoming years at 37%, we expect CR Land to generate attractive shareholder returns with a solid 5.3% dividend yield in 2029E. That said, we also expect CR Land to face a similar quandary to COLI in the longer run in terms of capital allocation between reinvestment and dividends, with a smaller free cash flow-scale.

Forecasts, TP changes & valuation

We revise our 2027E/28E underlying profits by -3%/+7% respectively, mainly reflecting updated DP revenue booking schedule and slightly higher 2028E DP GPM; we also introduce our 2029E underlying profit (Rmb29.3bn, implying a 13% CAGR in 2026E-29E) and end-27E NAV of HK$45.6 (+6% from prior end-26E NAV). As a result, we raise our 12m NAV-based target price for CR Land by 6% to HK$41.0 (implying 32% upside against the October 16 closing price), based on an unchanged 10% TP NAV discount. CR Land trades at a 32% discount to end-27E NAV, 0.9X 2027E P/B and 3.8% 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Maintain Buy. Our current 2026E-28E topline/underlying profit estimates for CR Land are on average 1%/8% below Bloomberg consensus, respectively.

Investment Thesis

We are Buy rated on CRL 1) due to its strong balance sheet and brand in the property development business, as well as leading expertise and track record in managing the shopping mall business; 2) as we believe CRL is well positioned in this industry downturn to strengthen its leadership in both property development and the shopping mall business; and 3) as we expect CRL to maintain its top-5 ranking in terms of scale in coming years. We believe CRL remains undervalued vs. other quality DP names and its historical trading range.

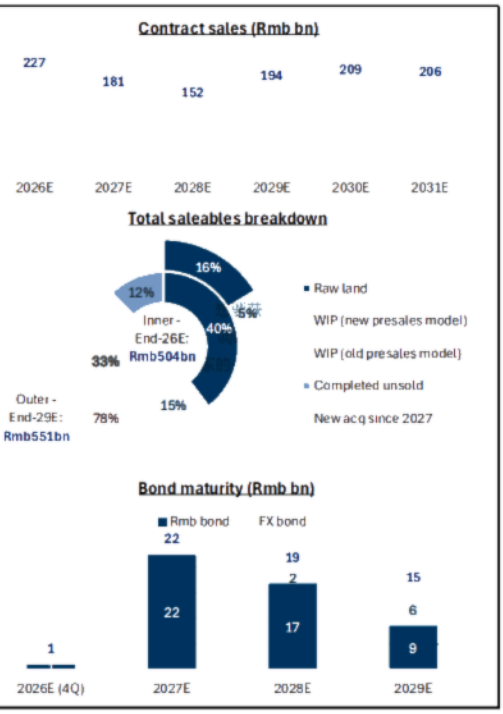
Price Target Risks & Methodology

Our 12m target price of HK$41.0 is based on a 10% discount to end-2027E NAV/share.

Key risks: Revenue booking and rental profitability below our expectations; slower-than-expected scale expansion; mall opening delay due to supply pressure and macro hard landing.

Exhibit 18: Summary of key financials and operation metrics - CR Land

CR Land (1109.HK)					
Rating	Buy				
End-27E NAV	(HK$)	45.6			
12-m TP	(HK$)	41.0			
TP implied upside	(%)	32%	As of Oct 16, 2026		
		2026E	2027E	2028E	2029E
Scale					
Revenue booking	(Rmb bn)	235	232	233	265
DP	(Rmb bn)	*188*	*182*	*180*	*208*
IP	(Rmb bn)	*28*	*30*	*33*	*35*
Others	(Rmb bn)	*20*	*20*	*21*	*22*
Core profit	(Rmb bn)	20.1	20.9	23.9	29.3
Profitability					
GPM	(%)	19%	22%	24%	25%
DP	(%)	*10%*	*13%*	*15%*	*16%*
IP	(%)	*77%*	*77%*	*77%*	*77%*
Others	(%)	*24%*	*24%*	*24%*	*24%*
Core margin	(%)	8.5%	9.0%	10.2%	11.1%
Return					
Underlying ROE	(%)	6.8%	6.8%	7.4%	8.6%
Cash flow & leverage					
Total leverage	(%)	59%	57%	56%	53%
FCF	(Rmb bn)	21.4	0.1	5.3	43.4
Dividend	(Rmb bn)	7.4	7.7	8.8	10.8
Div. yield	(%)	3.7%	3.8%	4.4%	5.3%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 19: Summary of financials - CR Land

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**281,438**	**235,809**	**232,117**	**233,340**	**264,812**
Cost of goods sold	(221,694)	(190,228)	(180,420)	(176,846)	(198,574)
SG&A	(14,528)	(13,668)	(13,572)	(13,655)	(13,195)
EBITDA	**46,890**	**34,796**	**38,927**	**43,574**	**53,819**
Depreciation & amortization	(1,066)	(901)	(802)	(735)	(775)
EBIT	**45,824**	**33,895**	**38,125**	**42,838**	**53,044**
Interest income	2,966	2,540	2,365	2,488	3,033
Interest expense	(3,083)	(2,681)	(2,728)	(3,019)	(3,213)
Income/(loss) from uncons. subs.	1,960	582	1,561	1,935	2,346
Others	5,887	7,442	4,000	5,000	5,000
Pretax profits	**53,353**	**41,758**	**43,313**	**49,243**	**60,210**
Income tax	(20,533)	(14,926)	(14,746)	(16,493)	(20,224)
Minorities	(7,402)	(7,073)	(7,653)	(8,847)	(10,702)
Net income pre-preferred dividends	**25,418**	**19,759**	**20,914**	**23,902**	**29,284**
Preferred dividends	0	0	0	0	0
Net income (pre-exceptionals)	**25,418**	**19,759**	**20,914**	**23,902**	**29,284**
Post-tax exceptionals	0	0	0	0	0
Net income	**25,418**	**19,759**	**20,914**	**23,902**	**29,284**
Underlying profit	**22,480**	**20,078**	**20,914**	**23,902**	**29,284**
Basic EPS (Rmb)	3.56	2.77	2.93	3.35	4.11
Underlying EPS (Rmb)	3.15	2.82	2.93	3.35	4.11
DPS (Rmb)	1.17	1.04	1.08	1.24	1.52

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	1%	-16%	-1%	1%	13%
EBITDA growth	-9%	-25%	12%	12%	24%
EBIT growth	-9%	-26%	12%	12%	24%
Net income growth	0%	-22%	6%	14%	23%
EPS growth	-11%	-11%	4%	14%	23%
Gross margin	21%	19%	22%	24%	25%
EBITDA margin	17%	15%	17%	19%	20%
EBIT margin	16%	14%	16%	18%	20%
Underlying profit margin	8%	9%	9%	10%	11%
Dividend payout ratio	37%	37%	37%	37%	37%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	25,418	19,759	20,914	23,902	29,284
D&A add-back	1,066	901	802	735	775
Minorities interests add-back	7,402	7,073	7,653	8,847	10,702
Net (inc)/dec working capital	82,786	(718)	(12,531)	(18,748)	8,637
Other operating cash flow	(77,879)	(2,134)	(6,082)	(6,235)	(7,948)
Cash flow from operations	**38,793**	**24,881**	**10,756**	**8,502**	**41,450**
Capital expenditures	(6,777)	(1,474)	(1,531)	(1,804)	(1,691)
Acquisitions	(13,103)				
Divestitures	0				
Others	8,264	(2,004)	(9,106)	(1,613)	3,643
Cash flow from investments	**(11,616)**	**(3,477)**	**(10,637)**	**(3,217)**	**1,952**
Dividends paid (common & pref)	(9,390)	(8,315)	(7,425)	(7,735)	(8,840)
Incl/(dec) in debt	(31,446)	(10,265)	20,000	40,000	0
Common stock issuance (repurchase)	0				
Other financing cash flows	34,350				
Cash flow from financing	**(6,486)**	**(18,509)**	**12,574**	**32,265**	**(8,840)**
Total cash flow	**20,691**	**2,894**	**12,694**	**37,549**	**34,561**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	115,449	118,253	130,947	168,496	203,057
Accounts receivable	44,143	41,207	38,156	38,357	43,531
Inventory	398,087	376,182	367,069	351,024	299,739
Other current assets	88,104	86,342	84,615	82,923	87,069
Total current assets	**645,784**	**621,984**	**620,787**	**640,801**	**633,396**
Net PP&E	14,738	15,311	16,040	16,909	17,825
Net intangibles	2,712	2,712	2,712	2,712	2,712
Total investments	395,702	400,807	413,829	419,865	421,661
Other long-term assets	19,765	19,765	19,765	19,765	19,765
Total assets	**1,078,701**	**1,060,580**	**1,073,133**	**1,100,052**	**1,095,300**
Accounts payable	265,537	240,866	215,862	180,166	140,701
Short-term loans	50,506	52,689	52,689	52,689	52,689
Other current liabilities	72,651	71,763	72,072	73,177	75,168
Total current liabilities	**388,694**	**365,318**	**340,623**	**306,032**	**268,557**
Long-term debt	230,963	218,496	238,496	278,496	278,496
Other long-term liabilities	39,728	38,933	35,040	31,536	33,113
Total liabilities	**659,385**	**622,747**	**614,159**	**616,064**	**580,166**
Preferred shares	-	-	-	-	-
Total common equity	**289,484**	**300,929**	**314,417**	**330,583**	**351,027**
Minority interest	129,832	136,904	144,558	153,405	164,107
Total liabilities & equity	**1,078,701**	**1,060,580**	**1,073,133**	**1,100,052**	**1,095,300**
BVPS (Rmb)	**40.60**	**42.20**	**44.09**	**46.36**	**49.23**
RNAV (Rmb mn)			**298,097**		
RNAVPS (Rmb)			**41.80**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	8%	7%	7%	7%	9%
ROA (%)	2%	2%	2%	2%	3%
Inventory days	655	722	743	724	551
Receivables days	57	64	60	60	60
Payable days	201	180	200	220	240
Net debt/equity (%)	40%	35%	35%	34%	25%
Total liabilities/total assets (%)	61%	59%	57%	56%	53%

Source: Company data, Goldman Sachs Global Investment Research

Jinmao (0817.HK): Visible margin and return improvements ahead; Buy

0817.HK	12m Price Target: HK$1.7	Price: HK$1.26	Upside: 35.5%

Buy

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: HK$17.0bn / $2.2bn	**Revenue (Rmb mn) New**	**59,371.3**	**60,443.1**	**50,271.8**	**51,031.4**
Enterprise value: HK$222.9bn / $28.4bn	Revenue (Rmb mn) Old	59,371.3	60,287.9	63,306.6	66,612.5
3m ADTV :HK$86.1mn/ $11.0mn	EBITDA (Rmb mn)	5,990.1	6,253.7	6,382.8	7,281.2
China	**EPS (Rmb) New**	**0.04**	**0.05**	**0.11**	**0.14**
China Property	EPS (Rmb) Old	0.04	0.05	0.12	0.19
	P/E (X)	32.1	19.7	9.4	7.7
M&A Rank: 3	P/B (X)	0.4	0.4	0.4	0.4
Leases incl. in net debt & EV?: No	Dividend yield (%)	2.4	2.4	4.3	5.2
	CROCI (%)	NM	0.8	2.0	2.4
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	0.05	0.00	0.05	0.07

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

Jinmao has quality land reserves with **1)** sizable exposure to tier-1/2 cities (89%/74% by total saleable resources/land bank, as of 1H26), **2)** one of the highest shares of end-26E inventory (in saleable terms) which can still adopt the old presales model (nearly 70%, ~10pp above coverage average), and **3)** so far the most prudent provision against aged inventory across our covered stronger SOE developers (low-teen % in 1H26, vs. peers' MSD % avg). That said, we see limited land banking headroom going forward given its relatively high leverage ratio (74%/68% by end-26E/29E, vs. coverage average of 66%/60%). We estimate new investments of ~Rmb33bn in 2027E-29E, or equivalent to average 15% of contract sales, vs. average 34% in 2023-26E. That said, we expect ample access to low-cost funding, potential funding support from parent Sinochem Corporation, or partnerships with capital-rich developers to drive further upside to our investment and contract sales estimates. In addition, holding an IP portfolio with Rmb39bn book value (1H26), Jinmao has also been actively exploring asset securitization via C-REITs (e.g., CAMC-Jinmao Shopping Mall REIT) and quasi-REITs (e.g., Sanya Tourism transaction) to optimize its balance sheet strength and asset turnover.

Profitability & return

Across our coverage, we expect Jinmao to deliver the one of the fastest core earnings growths (40%+ CAGR in 2026E-29E, vs. most covered stronger SOE peers of mid-teen %) and most visible underlying ROE improvement (+3.3pp from 26E to 29E, vs. rest of peers' average of +1.6pp), with its core margin recovering to 4% in 2029E, similar to the 2021-22 average. This is mainly driven by improving DP booking GPM to 17% in 2029E, from the low-teen % in 2025-26E, as a result of **1)** booking higher-margin projects since late 2024, and we estimate project-level GPM of average 20%/25% for Jinmao's new land acquisitions in FY25/26 per our tracker, **2)** high ASP potential given Jinmao's competitive product positioning amid the supply gap, and **3)** already above-SOE-peers provision against vintage inventory, as well as increasing revenue contribution from recurring rental and hotel segments (average 15% of 2027E-29E total revenue with MSD % topline expansion p.a.). Keeping our dividend payout steady at 40% for upcoming years, we also expect Jinmao to generate attractive shareholder returns with a 5.5%

dividend yield in 2029E.

Forecasts, TP changes & valuation

We revise our 2026E-28E underlying profits by average -10% mainly reflecting updated DP contract sales and revenue booking schedule; we also introduce our 2029E underlying profit (Rmb2.1bn, ~3X of FY26 levels) and end-27E NAV of HK$2.1 (+2% from prior end-26E NAV). We revise our 12m NAV-based target price for Jinmao by -8% to HK$1.7 (implying 35% upside against the October 16 closing price), based on a 20% TP NAV discount (vs. 10% prior, reflecting balance sheet constraints in weathering the transition to the new sales model). Jinmao trades at a 41% discount to end-27E NAV, 0.5X 2027E P/B and 3.9% 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Maintain Buy. Our current 2027E-28E underlying profit estimates for Jinmao are -3%/+9% compared to Bloomberg consensus.

Investment Thesis

Jinmao is a subsidiary of state-owned Sinochem Corporation, ranked 8th/6th on the 2025/9M26 Chinese property developers list (in terms of sales, ranked by PTI). We have a Buy rating on Jinmao driven by its high-quality land bank with sector-leading exposure to tier-1/2 cities (nearly 90% in terms of saleable resources as of 1H26), already prudent provision against vintage inventory, and well-above-peers earnings growth and ROE improvement outlook, which are not yet fully appreciated by the market compared to other SOE developers and its historical trading range.

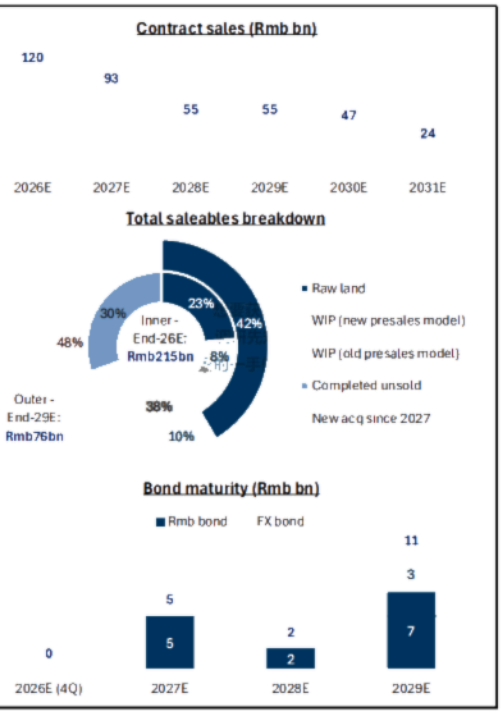
Price Target Risks & Methodology

Our 12m target price of HK$1.7 is based on a 20% discount to end-2027E NAV/share.

Key risks: Delays in land sales or unexpected austerity measures to cap land sale prices would result in earnings volatility and below-expectation margins; given its high land costs in high-tier cities, execution slippages in expansion may compress future margins- and lead to balance sheet deterioration; weak execution of its recurring business (property leasing, hotel and property management) could lead to topline and earnings downside and weakening visibility for asset monetization opportunities; diminishing support from parent Sinochem Group.

Exhibit 20: Summary of key financials and operation metrics - Jinmao

Jinmao (0817.HK)					
Rating	Buy				
End-27E NAV	(HK$)	2.1			
12-m TP	(HK$)	1.7			
TP implied upside	(%)	35%	*As of Oct 16, 2026*		
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	60	50	51	54
DP	(Rmb bn)	*50*	*39*	*40*	*43*
IP	(Rmb bn)	*2*	*2*	*2*	*2*
Others	(Rmb bn)	*9*	*9*	*9*	*10*
Core profit	(Rmb bn)	0.7	1.5	1.9	2.1
Profitability					
GPM	(%)	15%	17%	18%	19%
DP	(%)	*12%*	*14%*	*15%*	*17%*
IP	(%)	*82%*	*82%*	*82%*	*82%*
Others	(%)	*16%*	*16%*	*16%*	*16%*
Core margin	(%)	1.2%	3.1%	3.7%	3.9%
Return					
Underlying ROE	(%)	1.9%	4.0%	4.7%	5.2%
Cash flow & leverage					
Total leverage	(%)	74%	72%	71%	68%
FCF	(Rmb bn)	5.1	4.8	-2.0	7.5
Dividend	(Rmb bn)	0.4	0.6	0.8	0.9
Div. yield	(%)	2%	4%	4%	5%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 21: Summary of financials - Jinmao

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**59,371**	**60,443**	**50,272**	**51,031**	**54,359**
Cost of goods sold	(50,150)	(51,363)	(41,971)	(42,092)	(44,153)
SG&A	(4,724)	(4,656)	(3,697)	(3,394)	(3,461)
EBITDA	**5,990**	**6,254**	**6,383**	**7,281**	**8,438**
Depreciation & amortization	(669)	(616)	(594)	(574)	(555)
EBIT	**5,321**	**5,638**	**5,788**	**6,707**	**7,883**
Interest income	917	829	642	514	439
Interest expense	(2,291)	(1,967)	(1,712)	(1,589)	(1,503)
Income/(loss) from uncons. subs.	368	780	1,169	916	612
Others	653	(929)	(604)	(302)	(302)
Pretax profits	**4,968**	**4,351**	**5,283**	**6,246**	**7,129**
Income tax	(2,779)	(1,999)	(1,922)	(2,421)	(2,915)
Minorities	(936)	(1,197)	(1,173)	(1,290)	(1,419)
Net income pre-preferred dividends	**1,253**	**1,256**	**2,189**	**2,535**	**2,795**
Preferred dividends	(876)	(653)	(653)	(653)	(653)
Net income (pre-exceptionals)	**377**	**603**	**1,536**	**1,883**	**2,142**
Post-tax exceptionals	0	0	0	0	0
Net income	**377**	**603**	**1,536**	**1,883**	**2,142**
Underlying profit	**486**	**734**	**1,536**	**1,883**	**2,142**
Basic EPS (Rmb)	0.03	0.04	0.11	0.14	0.16
Underlying EPS (Rmb)	0.04	0.05	0.11	0.14	0.16
DPS (Rmb)	0.03	0.03	0.05	0.06	0.06

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	1%	2%	-17%	2%	7%
EBITDA growth	16%	4%	2%	14%	16%
EBIT growth	17%	6%	3%	16%	18%
Net income growth	37%	60%	155%	23%	14%
EPS growth	-10%	51%	109%	23%	14%
Gross margin	16%	15%	17%	18%	19%
EBITDA margin	10%	10%	13%	14%	16%
EBIT margin	9%	9%	12%	13%	15%
Underlying profit margin	1%	1%	3%	4%	4%
Dividend payout ratio	76%	48%	40%	40%	40%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	1,253	1,256	2,189	2,535	2,795
D&A add-back	669	616	594	574	555
Minorities interests add-back	935	1,197	1,173	1,290	1,419
Net (inc)/dec working capital	(2,692)	(11,566)	7,204	24,054	26,030
Other operating cash flow	298	12,750	(7,168)	(31,314)	(24,094)
Cash flow from operations	**463**	**4,253**	**3,993**	**(2,860)**	**6,705**
Capital expenditures	(391)	0	0	0	0
Acquisitions	(538)	0	0	0	0
Divestitures	0	0	0	0	0
Others	(3,930)	837	837	837	837
Cash flow from investments	**(4,859)**	**837**	**837**	**837**	**837**
Dividends paid (common & pref)	(389)	(1,245)	(1,003)	(1,267)	(1,406)
Incl/(dec) in debt	6,211	(6,254)	(5,050)	(2,000)	(7,250)
Common stock issuance (repurchase)	0	0	0	0	0
Other financing cash flows	(3,848)	(3,040)	0	0	0
Cash flow from financing	**1,994**	**(10,539)**	**(6,053)**	**(3,267)**	**(8,656)**
Total cash flow	**(2,402)**	**(5,450)**	**(1,224)**	**(5,291)**	**(1,114)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	28,403	22,953	21,729	16,439	15,324
Accounts receivable	77,349	80,315	66,800	67,809	72,230
Inventory	106,726	123,376	119,829	106,824	77,450
Other current assets	9,288	9,553	9,553	9,275	9,380
Total current assets	**221,767**	**236,197**	**217,910**	**200,347**	**174,385**
Net PP&E	13,604	13,069	12,565	12,062	11,587
Net intangibles	872	792	711	630	550
Total investments	190,503	189,517	189,246	189,024	188,496
Other long-term assets	14,988	14,238	14,095	13,814	13,538
Total assets	**441,734**	**453,813**	**434,518**	**415,876**	**388,556**
Accounts payable	81,535	88,655	78,192	89,949	90,724
Short-term loans	28,125	25,522	20,472	18,472	11,222
Other current liabilities	93,944	108,759	101,822	70,029	45,499
Total current liabilities	**203,603**	**222,936**	**200,487**	**178,451**	**147,445**
Long-term debt	100,887	97,236	97,236	97,236	97,236
Other long-term liabilities	17,682	15,913	16,709	17,545	18,422
Total liabilities	**322,172**	**336,085**	**314,432**	**293,231**	**263,103**
Preferred shares	**15,196**	**12,156**	**12,156**	**12,156**	**12,156**
Total common equity	**38,041**	**38,051**	**39,237**	**40,505**	**41,894**
Minority interest	66,324	67,521	68,684	69,984	71,403
Total liabilities & equity	**441,734**	**453,813**	**434,518**	**415,876**	**388,556**
BVPS (Rmb)	**2.82**	**2.82**	**2.90**	**3.00**	**3.10**
RNAV (Rmb mn)			**28,582**		
RNAVPS (Rmb)			**1.94**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	1%	2%	4%	5%	5%
ROA (%)	0%	0%	0%	0%	1%
Inventory days	777	877	1,042	926	640
Receivables days	476	485	485	485	485
Payable days	593	630	680	780	750
Net debt/equity (%)	107%	102%	96%	97%	89%
Total liabilities/total assets (%)	73%	74%	72%	71%	68%

Source: Company data, Goldman Sachs Global Investment Research

CMSK (001979.SZ): Strong footprint in core cities with solid profitability recovery/earnings growth outlook; up to Buy

001979.SZ	12m Price Target: Rmb9.8	Price: Rmb7.69	Upside: 27.4%

Buy	GS Forecast				
		12/25	12/26E	12/27E	12/28E
Market cap: Rmb69.3bn / $10.4bn	**Revenue (Rmb mn) New**	**154,728.0**	**149,452.2**	**139,727.5**	**131,596.0**
Enterprise value: Rmb392.7bn / $58.7bn	Revenue (Rmb mn) Old	154,728.0	150,543.0	143,004.4	137,488.0
3m ADTV :Rmb722.5mn/ $107.5mn	EBITDA (Rmb mn)	15,231.1	13,386.7	13,557.7	14,797.0
China	**EPS (Rmb) New**	**(0.01)**	**0.11**	**0.27**	**0.32**
China Property	EPS (Rmb) Old	(0.01)	0.12	0.35	0.41
	P/E (X)	NM	67.9	28.4	24.2
M&A Rank: 3	P/B (X)	0.9	0.7	0.7	0.7
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.5	0.7	1.6	1.9
	CROCI (%)	6.6	NM	NM	NM
		6/26	**9/26E**	**12/26E**	**3/27E**
	EPS (Rmb)	0.05	0.03	0.02	0.03

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

We upgrade CMSK to Buy from Neutral given our constructive views on CMSK's prime land bank with sector-leading exposure to core cities (~3/4 in tier-1/2 cities and teen % in Shanghai/Shenzhen as of 1H26), property development margin recovery trajectory, and steady ramp-up of its IP and PM portfolio, which could support above-peers earnings growth for CMSK in upcoming years. We see potential upside to our projections for land investment and contract sales scale given CMSK's ample access to low-cost funding, ability to harness synergies from SOE parent China Merchants Group, and accumulated experience in the capital recycling of IP assets. We view the company's current risk-reward profile as attractive on a sector-relative basis. Our new 12m TP of Rmb9.8 implies 27% upside against the October 16 closing price (vs. sector average/stronger SOE average of +14%/+26%).

Land bank quality & reinvestment

CMSK has quality land reserves with sector-leading exposure to tier-1/2 cities (20%/55% of 1H26 land bank size respectively) and a relatively high share of end-26E inventory (in saleable terms) which can still adopt the old presales model (62% per GSe, ~5pp above coverage average). As we expect the company's total leverage to remain at 66% by end-26E (similar to coverage average), we see limited near-term headroom for land banking and forecast new investments of only ~Rmb48bn in 2027E-29E, or average 16% of contract sales, vs. average 37% in 2023-26E. Correspondingly, we forecast the company's total leverage ratio to steadily decline to 57% in 2029E (vs. coverage average of 60%). In addition, we see risks to the upside, given the company is well positioned to capture attractive investment opportunities in the case of meaningful land price declines/property price increases and joint land acquisition initiatives, on the back of **1)** ample access to low-cost funding; **2)** potential funding support from parent CMG; **3)** supplementary cash flow from recurring IP income and property management revenue (average Rmb8bn/23bn in 2027E-29E respectively). Notably, post the 828 policy, during Shanghai's recent 10th batch land auction of the year, CMSK successfully acquired two of four land plots tendered, both in the form of partnerships with other developers, and both with 20%+ premium ratios; and **4)** besides holding an IP portfolio with Rmb140bn

book value (1H26), CMSK has also been actively exploring asset securitization via commercial C-REITs to optimize its balance sheet strength and capital recycling.

Profitability & return

We expect CMSK to deliver one of the fastest core earnings growths in our coverage (55% CAGR in 2026E-29E, vs. most covered stronger SOE peers of mid-teen %) and solid core margin/underlying ROE improvement (both up by 2pp from 26E to 29E), mainly driven by improving DP booking GPM to 18.5% in 2029E, from mid-teen % in 2025-27E, as a result of **1)** booking higher-margin projects since late 2024, and we estimate project-level GPM of average mid-twenties % for CMSK's new land acquisitions since 2025 per our tracker; and **2)** high ASP potential given CMSK's competitive product positioning amid the supply gap as well as sizable exposure to Shanghai and Shenzhen (we have raised our 2-year ASP increase forecast for Shanghai and Shenzhen to 20% from 15% prior), which accounted for over 10% of 1H26 total land bank and high-teen % of land acquisitions since 2025 (by land cost). Keeping our dividend payout steady at 45% for upcoming years, we expect CMSK to generate steady shareholder returns with a 2.5% dividend yield in 2029E.

Forecasts, TP changes & valuation

We lower our 2026E-28E underlying profits by 7%-23% mainly reflecting updated DP revenue booking schedule and moderately higher SG&A expenses; we also introduce our 2029E underlying profit (Rmb3.8bn, +32% yoy) and end-27E NAV of Rmb11.5 (+12% from prior end-26E NAV). As a result, we raise our 12m NAV-based target price for CMSK by 13% to Rmb9.8 (implying 27% upside against the October 16 closing price), based on an unchanged 10% TP NAV discount. CMSK trades at a 33% discount to end-27E NAV, 0.7X 2027E P/B and 1.6% 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Upgrade to Buy from Neutral. Our current 2026E/27E/28E underlying profit estimates for CMSK are -20%/+12%/+10% compared to Bloomberg consensus respectively, with our topline forecasts largely on par with consensus.

Investment Thesis

We are Buy rated on CMSK given our constructive views on CMSK's prime land bank with sector-leading exposure to core cities (~3/4 in tier-1/2 cities and teen % in Shanghai/Shenzhen as of 1H26), property development margin recovery trajectory, and steady ramp-up of its IP and PM portfolio, which could support above-peers earnings growth for CMSK in upcoming years. We see potential upside to our projections for land investment and contract sales scale given CMSK's ample access to low-cost funding, ability to harness synergies from SOE parent China Merchants Group, and accumulated experience in the capital recycling of IP assets. We view the company's current risk-reward profile as attractive on a sector-relative basis.

Price Target Risks & Methodology

Our 12m target price of Rmb9.8 is based on a 10% discount to end-2027E NAV/share.

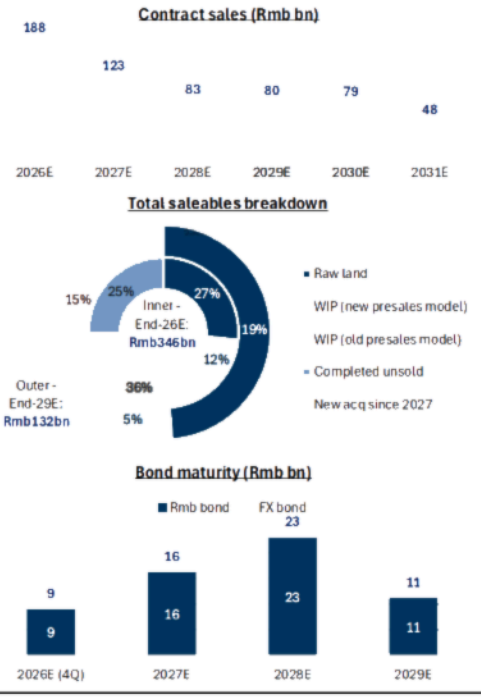
Key downside risks: 1. Below-expectation DP margin performance due to lingering impact of the booking of high-land-cost vintage projects, prolonged property price weakness, and execution miss of its major DP projects in core T1 cities; 2. Slower-than-expected land banking pace due to liquidity concerns and slowdown in

contract sales, hampering the visibility of profit scale in the mid-to-longer run; 3. Execution slippage for the development of investment properties and industrial parks potentially leading to slow asset turnover and drain on liquidity.

Exhibit 22: Summary of key financials and operation metrics - CMSK

CMSK (001979.SZ)					
Rating	Buy				
End-27E NAV	(Rmb)	11.5			
12-m TP	(Rmb)	9.8			
TP implied upside	(%)	27% *As of Oct 16, 2026*			
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	149	140	132	139
DP	(Rmb bn)	*124*	*112*	*102*	*108*
IP	(Rmb bn)	*8*	*8*	*8*	*9*
Others	(Rmb bn)	*18*	*20*	*21*	*22*
Core profit	(Rmb bn)	1.0	2.4	2.9	3.8
Profitability					
GPM	(%)	10%	10%	12%	13%
DP	(%)	*15%*	*15%*	*17%*	*18%*
IP	(%)	-3%	*-1%*	*1%*	*1%*
Others	(%)	*-13%*	*-10%*	-8%	-9%
Core margin	(%)	0.7%	1.7%	2.2%	2.7%
Return					
Underlying ROE	(%)	1.5%	2.5%	2.8%	3.7%
Cash flow & leverage					
Total leverage	(%)	66%	64%	61%	57%
FCF	(Rmb bn)	8.3	13.2	-8.9	12.7
Dividend	(Rmb bn)	0.5	1.1	1.3	1.7
Div. yield	(%)	0.7%	1.6%	1.9%	2.5%

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Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 23:
Summary of financials - CMSK

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**154,728**	**149,452**	**139,727**	**131,596**	**139,090**
Cost of goods sold	(137,740)	(134,001)	(125,149)	(116,431)	(121,068)
SG&A	(6,039)	(6,188)	(5,003)	(4,221)	(4,330)
EBITDA	**15,231**	**13,387**	**13,558**	**14,797**	**17,405**
Depreciation & amortization	(4,283)	(4,124)	(3,983)	(3,853)	(3,712)
EBIT	**10,949**	**9,263**	**9,575**	**10,944**	**13,692**
Interest income	1,300	1,020	988	867	679
Interest expense	(3,819)	(4,011)	(3,714)	(3,502)	(3,335)
Income/(loss) from uncons. subs.	(614)	(952)	(173)	285	451
Others	(2,635)	(243)	(300)	(200)	(200)
Pretax profits	**5,181**	**5,077**	**6,376**	**8,395**	**11,286**
Income tax	(4,477)	(3,763)	(3,767)	(4,570)	(6,070)
Minorities	320	173	(167)	(962)	(1,438)
Net income pre-preferred dividends	**1,024**	**1,487**	**2,441**	**2,862**	**3,778**
Preferred dividends	(304)	0	0	0	0
Net income (pre-exceptionals)	**720**	**1,487**	**2,441**	**2,862**	**3,778**
Post-tax exceptionals	0	0	0	0	0
Net income	**728**	**1,487**	**2,441**	**2,862**	**3,778**
Underlying profit	**(135)**	**1,022**	**2,441**	**2,862**	**3,778**
Basic EPS (Rmb)	0.08	0.16	0.27	0.32	0.42
Underlying EPS (Rmb)	-0.01	0.11	0.27	0.32	0.42
DPS (Rmb)	0.05	0.05	0.12	0.14	0.19

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-14%	-3%	-7%	-6%	6%
EBITDA growth	-9%	-12%	1%	9%	18%
EBIT growth	-16%	-15%	3%	14%	25%
Net income growth	-78%	107%	64%	17%	32%
EPS growth	-108%	-857%	139%	17%	32%
Gross margin	11%	10%	10%	12%	13%
EBITDA margin	10%	9%	10%	11%	13%
EBIT margin	7%	6%	7%	8%	10%
Underlying profit margin	0%	1%	2%	2%	3%
Dividend payout ratio	-341%	45%	45%	45%	45%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	1,024	1,487	2,441	2,862	3,778
D&A add-back	4,283	4,124	3,983	3,853	3,712
Minorities interests add-back	(320)	(173)	167	962	1,438
Net (inc)/dec working capital	(991)	20,711	47,692	41,381	65,177
Other operating cash flow	5,698	(10,636)	(34,485)	(51,964)	(55,549)
Cash flow from operations	**9,693**	**15,513**	**19,799**	**(2,905)**	**18,557**
Capital expenditures	(3,483)	(2,989)	(2,795)	(2,632)	(2,782)
Acquisitions	1	1	1	1	1
Divestitures	1,531	0	0	0	0
Others	(336)	(4,211)	(3,790)	(3,411)	(3,070)
Cash flow from investments	**(2,287)**	**(7,199)**	**(6,584)**	**(6,042)**	**(5,851)**
Dividends paid (common & pref)	(9,714)	(765)	(460)	(1,099)	(1,288)
Inc/(dec) in debt	(719)	(10,169)	(16,265)	(940)	(11,190)
Common stock issuance (repurchase)	0	0	0	0	0
Other financing cash flows	(11,375)	0	0	0	0
Cash flow from financing	**(21,807)**	**(10,933)**	**(16,725)**	**(2,039)**	**(12,478)**
Total cash flow	**(14,402)**	**(2,620)**	**(3,510)**	**(10,985)**	**228**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	84,976	82,356	78,846	67,861	68,088
Accounts receivable	102,438	94,175	88,047	82,924	87,646
Inventory	362,324	343,910	302,622	266,211	201,534
Other current assets	36,794	37,162	36,419	35,690	37,475
Total current assets	**586,531**	**557,604**	**505,934**	**452,685**	**394,743**
Net PP&E	10,758	13,037	15,136	17,086	19,220
Net intangibles	1,712	1,618	1,524	1,430	1,336
Total investments	215,117	215,563	216,422	217,417	218,289
Other long-term assets	21,294	20,868	20,451	19,428	18,457
Total assets	**835,412**	**808,690**	**759,467**	**708,046**	**652,045**
Accounts payable	53,691	47,726	48,002	47,848	53,071
Short-term loans	57,921	57,066	57,066	79,066	79,066
Other current liabilities	256,263	245,358	210,548	157,713	103,964
Total current liabilities	**367,875**	**350,151**	**315,617**	**284,627**	**236,101**
Long-term debt	184,481	175,167	158,902	135,962	124,772
Other long-term liabilities	11,676	11,443	10,871	10,653	10,440
Total liabilities	**564,032**	**536,761**	**485,390**	**431,243**	**371,314**
Preferred shares	-	-	-	-	-
Total common equity	**97,652**	**98,374**	**100,356**	**102,120**	**104,610**
Minority interest	173,727	173,554	173,722	174,684	176,122
Total liabilities & equity	**835,412**	**808,690**	**759,467**	**708,046**	**652,045**
BVPS (Rmb)	**10.83**	**10.91**	**11.13**	**11.33**	**11.60**
RNAV (Rmb mn)			**103,263**		
RNAVPS (Rmb)			**11.50**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	0%	1%	2%	3%	4%
ROA (%)	0%	0%	0%	0%	1%
Inventory days	960	937	883	835	608
Receivables days	242	230	230	230	230
Payable days	142	130	140	150	160
Net debt/equity (%)	58%	55%	50%	53%	48%
Total liabilities/total assets (%)	68%	66%	64%	61%	57%

Source: Company data, Goldman Sachs Global Investment Research

Greentown (3900.HK): Higher deleveraging pressure suggests slower ROE improvement; down to Neutral

3900.HK	12m Price Target: HK$7.2	Price: HK$6	Upside: 20%

Neutral

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: HK$15.2bn / $1.9bn	**Revenue (Rmb mn) New**	**154,966.2**	**125,805.0**	**103,650.4**	**63,144.0**
Enterprise value: HK$176.0bn / $22.4bn	Revenue (Rmb mn) Old	154,966.2	125,566.7	117,431.6	112,982.6
3m ADTV :HK$77.3mn/ $9.9mn	EBITDA (Rmb mn)	6,874.9	2,912.6	4,810.9	3,212.2
China	**EPS (Rmb) New**	**0.03**	**0.12**	**0.29**	**0.32**
China Property	EPS (Rmb) Old	0.03	0.18	0.60	0.95
	P/E (X)	NM	41.0	17.5	16.1
M&A Rank: 3	P/B (X)	0.6	0.4	0.4	0.4
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.0	1.0	2.9	3.1
	CROCI (%)	4.5	2.6	7.0	5.9
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	0.03	0.09	0.12	0.18

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close

We downgrade Greentown to Neutral from Buy. While we remain constructive on Greentown's overall landbank footprint (80%+ in tier-1/2 cities by 1H26 land bank value), strong brand/product positioning especially in the Yangtze River Delta region, and positive profitability impact from the booking of higher-margin projects acquired since 2025, we think its weaker balance sheet with total leverage of 74% by end-26E (vs. coverage average of 66%) may lead to higher inventory clearance pressure under the new sales model. Also, nearly half of its 1H26 unsold inventory was acquired before 2022, suggesting potentially higher margin downside risks or asset write-down needs in coming years (given only a 7% provision ratio in 1H26, the median level among covered stronger SOE developers). Meanwhile, we expect lower core margins and underlying ROE for Greentown (both in terms of absolute levels and pace of recovery) and view its risk-reward profile as balanced relative to our broader coverage. Since we added Greentown to our Buy list on Jan 15, 2023, its share price has fallen by 50%, vs. MSCI China's -3%, and slightly more resilient than the coverage average of -52%, though underperforming other Buy-rated names.

Land bank quality & reinvestment

Greentown's land bank has good geographic positioning, with over 80% of 1H26 land bank value located in tier-1/2 cities, and 67%/47% in YRD/4 core YRD cities (Hangzhou, Shanghai, Nanjing and Suzhou). However, we note **1)** sizable portion of aged inventory, whereby land acquired prior to 2022/during 2022-23 accounted for 48%/4% of Greentown's 1H26 unsold inventory, around half of which are still raw land; and **2)** limited land banking headroom alongside the transition to the completed property sales model following the depletion of the company's inventory, which would not be affected by the new sales model, given Greentown's above-peer-average leverage ratio and small recurring income portfolio, and we estimate new investments of ~Rmb36bn in 2027E-29E,or equivalent to average 18% of contract sales, vs. average 41% in 2023-26E.

Profitability & return

We forecast Greentown's core margin and underlying ROE to both improve by 1pp from 2026E-29E (vs. stronger SOE developers average of +2pp/+3pp), mainly alongside a recovering DP GPM to 14% by 2029E, from average 10% in 2025-26E, as a result of **1)** booking higher-margin projects since late 2024, and we estimate average high-teen % project-level GPM for Greentown's new land acquisitions in FY25/YTD 26 per our tracker; **2)** high ASP potential given Greentown's competitive product positioning amid the supply gap as well as sizable exposure to core cities such as Shanghai; yet **3)** potential adverse margin impact from intensified efforts to sell-through aged completed unsold inventory to buffer the saleable resource shrinkage. Keeping our dividend payout steady at 50% against lower underlying profit forecasts for upcoming years, we expect Greentown to generate steady shareholder returns with a 3.2% dividend yield in 2029E (vs. Buy-rated coverage average of 4.8%). Our forecasts already factor in Rmb bond repayment, but not FX bond repayment as we think the company may want to keep its FX bond quota, per our discussion with the company.

Forecasts, TP changes & valuation

We lower our 2026E-28E underlying profits by average 46% to factor in lower DP contract sales/margins and revenue booking schedule; we also introduce our 2029E underlying profit (Rmb890mn, implying +10% yoy) and end-27E NAV estimate of HK$9.6 (-14% from prior end-26E NAV). We revise our 12m NAV-based target price for Greentown by -24% to HK$7.2, based on a 25% TP NAV discount (vs. prior 15%, reflecting balance sheet constraints in weathering the transition to the new sales model). Greentown trades at a 38% discount to end-27E NAV, 0.4X 2027E P/B and 2.7% 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Our 2026E-28E topline/underlying profit estimates for Greentown are on average 20%/10% below Bloomberg consensus, respectively.

Investment Thesis

Greentown, a state-owned enterprise, is ranked among the top-10 developers by contract sales (No.5/7 in 2025/9M26, per PTI). We are Neutral rated on Greentown. While we have constructive views on Greentown's land bank footprint (80%+ in tier-1/2 cities by 1H26 land bank value, including 37% in Hangzhou and Shanghai), strong brand/product positioning especially in the Yangtze River Delta region, and positive profitability impact from higher-margin projects acquired in recent years, we are cautious on the vintage year structure of the company's unsold inventory, nearly half of which (by 1H26) could be traced back before 2022, and limited land bank strength to sustain investment and scale in the mid-to-longer run. With an uninspiring profit and return trajectory ahead, we see Greentown's risk-reward profile as balanced relative to the broader coverage.

Price Target Risks & Methodology

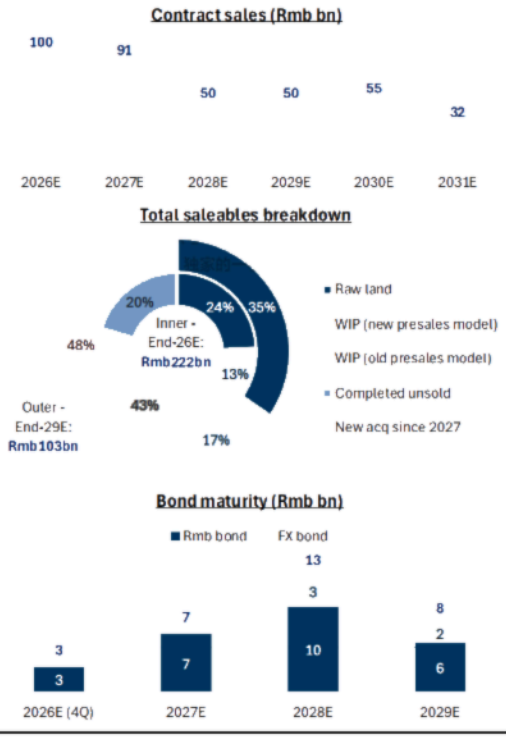
Our 12m target price of HK$7.2 is based on a 25% discount to end-2027E NAV/share.

Key risks: (+) DP sales and margin beat due to an upbeat property market in Greentown's concentrated core cities, especially in YRD, or (-) sales and margin miss dragged by execution slippages for key projects located in core cities, challenges in aged inventory de-stocking and prolonged property weakness, leading to (+/-) balance sheet improvement or deterioration and hence the re-acceleration/deceleration of investment

scale; (+/-) stronger resources synergies or diminishing support from parent China Communications Construction Group.

Exhibit 24: Summary of key financials and operation metrics - Greentown

Greentown (3900.HK)					
Rating	**Neutral**				
End-27E NAV	(HK$)	9.6			
12-m TP	(HK$)	7.2			
TP implied upside	(%)	20% *As of Oct 16, 2026*			
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	126	104	63	60
DP	(Rmb bn)	*118*	*95*	*54*	*51*
IP	(Rmb bn)	*1*	*1*	*1*	*1*
Others	(Rmb bn)	*7*	*7*	*8*	*8*
Core profit	(Rmb bn)	0.4	0.7	0.8	0.9
Profitability					
GPM	(%)	10%	12%	13%	14%
DP	(%)	*9%*	*11%*	*12%*	*14%*
IP	(%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Others	(%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Core margin	(%)	0.4%	0.7%	1.3%	1.5%
Return					
Underlying ROE	(%)	1.3%	2.1%	2.2%	2.4%
Cash flow & leverage					
Total leverage	(%)	74%	70%	65%	61%
FCF	(Rmb bn)	4.3	14.5	-15.3	6.0
Dividend	(Rmb bn)	0.1	0.4	0.4	0.4
Div. yield	(%)	0.9%	2.7%	2.9%	3.2%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 25: Summary of financials - Greentown

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**154,966**	**125,805**	**103,650**	**83,144**	**68,291**
Cost of goods sold	(136,495)	(113,380)	(91,186)	(55,168)	(51,901)
SG&A	(7,064)	(5,885)	(4,654)	(3,764)	(3,286)
EBITDA	**6,875**	**2,913**	**4,811**	**3,212**	**4,325**
Depreciation & amortization	(667)	(619)	(642)	(643)	(643)
EBIT	**6,208**	**2,294**	**4,169**	**2,569**	**3,682**
Interest income	973	734	675	725	402
Interest expense	(2,226)	(2,117)	(2,075)	(2,031)	(1,984)
Income/(loss) from uncons. subs.	(1,134)	347	525	737	408
Others	1,068	809	642	643	643
Pretax profits	**4,889**	**2,066**	**3,936**	**2,644**	**3,150**
Income tax	(2,603)	(1,116)	(1,532)	(957)	(1,244)
Minorities	(2,215)	(634)	(1,660)	(886)	(1,016)
Net income pre-preferred dividends	**71**	**316**	**744**	**806**	**890**
Preferred dividends	0	0	0	0	0
Net income (pre-exceptionals)	**71**	**316**	**744**	**806**	**890**
Post-tax exceptionals	0	0	0	0	0
Net income	**71**	**316**	**744**	**806**	**890**
Underlying profit	**25**	**450**	**744**	**806**	**890**
Basic EPS (Rmb)	0.03	0.12	0.29	0.32	0.35
Underlying EPS (Rmb)	0.03	0.12	0.29	0.32	0.35
DPS (Rmb)	0.00	0.05	0.15	0.16	0.18

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-2%	-19%	-18%	-20%	-5%
EBITDA growth	-14%	-58%	65%	-33%	35%
EBIT growth	-14%	-63%	82%	-38%	43%
Net income growth	-96%	346%	135%	8%	10%
EPS growth	-96%	346%	135%	8%	10%
Gross margin	12%	10%	12%	13%	14%
EBITDA margin	4%	2%	5%	5%	7%
EBIT margin	4%	2%	4%	4%	6%
Underlying profit margin	0%	0%	1%	1%	1%
Dividend payout ratio	0%	42%	50%	50%	50%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	71	316	744	806	890
D&A add-back	667	619	642	643	643
Minorities interests add-back	2,215	634	1,660	886	1,016
Net (inc)/dec working capital	(762)	3,352	6,474	(22,688)	(1,218)
Other operating cash flow	3,428	1,354	6,636	5,972	5,375
Cash flow from operations	**5,619**	**6,275**	**16,155**	**(14,381)**	**6,707**
Capital expenditures	(692)	(1,338)	(1,102)	(671)	(641)
Acquisitions	(4,515)	0	0	0	0
Divestitures	0	0	0	0	0
Others	(13,704)	(629)	(519)	(287)	(59)
Cash flow from investments	**(18,911)**	**(1,967)**	**(1,621)**	**(959)**	**(701)**
Dividends paid (common & pref)	0	0	(131)	(374)	(406)
Incl/(dec) in debt	(5,989)	(5,353)	(6,500)	(9,500)	(5,500)
Common stock issuance (repurchase)	(60)	0	0	0	0
Other financing cash flows	9,639	(1,402)	(3,673)	(1,960)	(2,248)
Cash flow from financing	**3,590**	**(6,755)**	**(10,305)**	**(11,834)**	**(8,154)**
Total cash flow	**(9,701)**	**(2,447)**	**4,229**	**(27,174)**	**(2,148)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	59,160	56,713	60,943	33,769	31,621
Accounts receivable	12,367	10,040	8,272	5,039	4,811
Inventory	214,823	175,442	119,740	101,395	76,862
Other current assets	88,088	86,733	80,097	74,125	68,750
Total current assets	**374,437**	**328,928**	**269,052**	**214,328**	**182,044**
Net PP&E	11,656	12,375	12,835	12,863	12,861
Net intangibles	1,252	1,252	1,252	1,252	1,252
Total investments	37,892	38,868	39,912	40,937	41,404
Other long-term assets	24,624	25,583	22,961	22,332	22,882
Total assets	**449,861**	**407,006**	**346,012**	**291,713**	**260,243**
Accounts payable	50,104	46,594	37,474	24,183	22,751
Short-term loans	24,744	27,499	27,499	27,499	27,499
Other current liabilities	158,655	125,115	81,142	50,275	26,486
Total current liabilities	**233,503**	**199,208**	**146,114**	**101,957**	**76,736**
Long-term debt	108,641	100,534	94,034	84,534	79,034
Other long-term liabilities	2,002	2,002	2,002	2,002	2,002
Total liabilities	**344,147**	**301,744**	**242,150**	**188,493**	**157,772**
Preferred shares	-	-	-	-	-
Total common equity	**35,184**	**35,501**	**36,113**	**36,545**	**37,028**
Minority interest	70,530	69,762	67,749	66,674	65,443
Total liabilities & equity	**449,861**	**407,006**	**346,012**	**291,713**	**260,243**
BVPS (Rmb)	**13.85**	**13.98**	**14.22**	**14.39**	**14.58**
RNAV (Rmb mn)			**22,384**		
RNAVPS (Rmb)			**8.81**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	0%	1%	2%	2%	2%
ROA (%)	0%	0%	0%	0%	0%
Inventory days	574	574	574	574	574
Receivables days	29	29	29	29	29
Payable days	134	150	150	160	160
Net debt/equity (%)	66%	64%	54%	72%	69%
Total liabilities/total assets (%)	77%	74%	70%	65%	61%

Source: Company data, Goldman Sachs Global Investment Research

Poly (600048.SS): Deleveraging limits reinvestment, eroding scale advantage and leading to slower earnings recovery; Neutral

600048.SS **12m Price Target: Rmb6.1** **Price: Rmb5.52** **Upside: 10.5%**

Neutral

Market cap: Rmb66.1bn / $9.9bn
Enterprise value: Rmb440.3bn / $65.9bn
3m ADTV :Rmb994.7mn/ $148.0mn
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) New	**308,144.2**	**253,755.9**	**214,046.8**	**188,966.1**
Revenue (Rmb mn) Old	308,144.2	257,165.1	216,252.8	189,639.5
EBITDA (Rmb mn)	22,362.6	14,778.5	13,053.2	11,578.8
EPS (Rmb) New	**0.09**	**(0.08)**	**(0.07)**	**(0.06)**
EPS (Rmb) Old	0.09	(0.06)	(0.06)	(0.06)
P/E (X)	92.0	NM	NM	NM
P/B (X)	0.5	0.3	0.3	0.3
Dividend yield (%)	0.4	0.0	0.0	0.0
CROCI (%)	20.8	2.2	1.9	1.7

	6/26	9/26E	12/26E	3/27E
EPS (Rmb)	0.09	(0.02)	(0.22)	(0.02)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

We estimate Poly has the largest land bank across our coverage, but the quality is relatively weaker with T1/lower-tier exposure at 12%/44%, the lowest/highest among covered stronger SOE developers (respective peer average of 25%/34%), suggesting lower profitability and less benefit from T1 recovery. Given its deleveraging needs with relatively high leverage (70% in 2026E vs. c.50% for leading peers), we expect Poly to fund land investment solely from new capital generated from property sales. We forecast cumulative land investments of c.Rmb75bn over 2027E-29E compared to c.Rmb400/250bn for COLI/CRL, which have greater capacity to deploy existing capital. This leads to shrinking saleable resources that will fall below the aforementioned two players by end-29E, eroding its scale advantage. We project contract sales to decline by c.20% p.a. in 2027E-28E before recovering 6% yoy in 2029E as projects under the new presales model become available for sale; the rebound is smaller than our c.30% projection for COLI/CRL reflecting Poly's much lower land investment. With shrinking DP revenue and lack of recurring income support, we expect the company's cash flow to fall short of debt repayment requirements, particularly in 2027E-28E. However, Poly's SOE background should support continued access to relatively lower-cost funding; therefore, we assume Poly would roll over the majority of maturing debt in 2027E-28E despite being able to repay debts due in 2029E, and its total leverage would fall to 57% by 2029E, narrowing the gap with leading peers.

Profitability & return

We expect Poly's earnings recovery to remain slow due to contracting DP revenue and limited offset from the non-DP business, despite a relatively stable GPM of low-teen %. We therefore forecast modest core losses of Rmb0.7-1.0bn in 2026E-28E, followed by a return to profit of Rmb1.9bn in 2029E alongside modest contract sales recovery, restoring ROE to 1% from c.0.4%. Meanwhile, we assume Poly to resume dividend payout at 40% in 2029E, implying a 1.2% dividend yield.

Forecasts, TP changes & valuation

We keep our topline forecasts largely unchanged while expanding estimated losses in 2026E-28E by 16% on average, to reflect slightly lower DP GPM (-0.1pp vs. prior) and higher SG&A expense ratio (+0.5pp vs. prior). We also introduce our 2029E underlying profit forecast of Rmb1.9bn and end-27E NAV of Rmb6.8 per share (largely unchanged compared to prior end-26E NAV). As a result, our 12m NAV-based target price for Poly is unchanged at Rmb6.1, still based on a 10% TP NAV discount. Poly trades at a 19% discount to end-27E NAV, 0.3X 2027E P/B and nil 2027E dividend yield vs. stronger SOE coverage average of 32%/0.5X/2.7%. Maintain Neutral. Our current 2026E-28E topline estimates for Poly are on average 11% below Bloomberg consensus, and we expect net losses vs. consensus net profits.

Investment Thesis

Poly A, a state-owned enterprise, ranks 1st on both the 2025/9M26 Chinese property developers lists (in terms of sales, ranked by PTI). We are Neutral rated on Poly as its over-diversification of land bank projects in terms of acquisition vintage, low-tier cities exposure, and non-residential composition make it less favorably positioned in terms of our sell-through and margin estimates, and we expect a more strenuous deleveraging path for Poly compared to central SOE peers considering the wider contract sales deficit to satisfy normal capex/opex needs and marginal support from its IP portfolio to assist net debt repayment. That said, we are positive on management's enhanced focus on financial safety through better-budgeted operational plans and dedicated efforts to optimize the balance sheet with access to low-cost financing channels. We see relatively balanced valuation risk-reward in our scenario analysis.

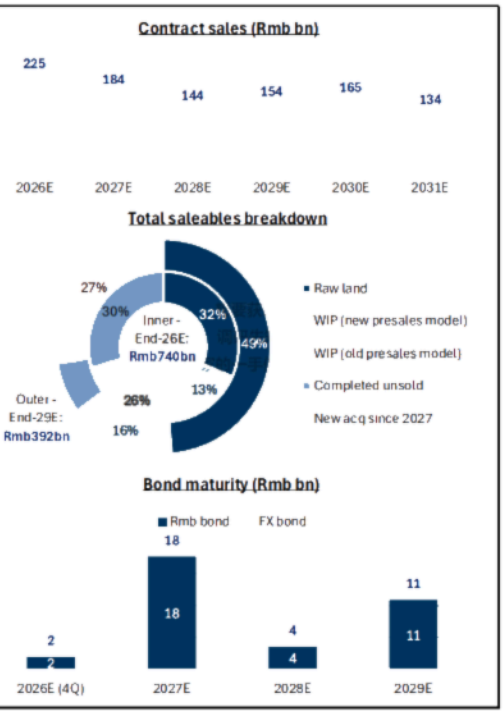
Price Target Risks & Methodology

Our 12m target price of Rmb6.1 is based on a 10% discount to end-27E NAV.

Key risks: Stronger or weaker execution for inventory projects especially those acquired before the current downturn or located in lower-tier markets potentially leading to fast/slow asset turnover and drain on liquidity; Better/weaker-than-expected margin performance due to the impact of the booking of high-land-cost projects; Earlier-than-expected price recovery in focused markets or prolonged price weakness despite policy easing; Faster or slower land banking expansion pace amid property market recovery/tighter liquidity conditions and physical market weakness.

Exhibit 26: Summary of key financials and operation metrics - Poly

Poly (600048.SS)					
Rating	Neutral				
End-27E NAV	(Rmb)	6.8			
12-m TP	(Rmb)	6.1			
TP implied upside	(%)	11% *As of Oct 16, 2026*			
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	254	214	189	185
DP	(Rmb bn)	*229*	*190*	*164*	*160*
IP	(Rmb bn)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Others	(Rmb bn)	*24*	*24*	*25*	*25*
Core profit	(Rmb bn)	-0.9	-0.8	-0.7	1.9
Profitability					
GPM	(%)	10%	11%	11%	11%
DP	(%)	*12%*	*12%*	*12%*	*12%*
IP	(%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Others	(%)	*13%*	*13%*	*13%*	*13%*
Core margin	(%)	-0.4%	-0.4%	-0.4%	1.0%
Return					
Underlying ROE	(%)	-0.5%	-0.4%	-0.4%	1.0%
Cash flow & leverage					
Total leverage	(%)	70%	67%	64%	61%
FCF	(Rmb bn)	-5.1	-4.2	-1.4	39.5
Dividend	(Rmb bn)	0.0	0.0	0.0	0.8
Div. yield	(%)	0.0%	0.0%	0.0%	1.2%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 27: Summary of financials - Poly

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**308,144**	**253,756**	**214,047**	**188,966**	**184,813**
Cost of goods sold	(274,597)	(228,468)	(191,327)	(168,977)	(165,120)
SG&A	(11,148)	(10,479)	(9,641)	(8,387)	(8,639)
EBITDA	**22,363**	**14,779**	**13,053**	**11,579**	**11,031**
Depreciation & amortization	(2,094)	(2,143)	(1,960)	(1,942)	(1,397)
EBIT	**20,269**	**12,636**	**11,093**	**9,637**	**9,635**
Interest income	967	860	700	555	461
Interest expense	(4,923)	(4,817)	(4,698)	(4,615)	(4,518)
Income/(loss) from uncons. subs.	(144)	(190)	(75)	105	1,816
Others	(6,452)	(3,600)	(2,900)	(2,500)	(2,000)
Pretax profits	**9,737**	**4,889**	**4,121**	**3,182**	**5,394**
Income tax	(4,715)	(2,032)	(1,678)	(1,231)	(1,431)
Minorities	(3,987)	(3,788)	(3,245)	(2,694)	(2,034)
Net income pre-preferred dividends	**1,035**	**(930)**	**(803)**	**(743)**	**1,929**
Preferred dividends	0	0	0	0	0
Net income (pre-exceptionals)	**1,035**	**(930)**	**(803)**	**(743)**	**1,929**
Post-tax exceptionals	0	0	0	0	0
Net income	**1,035**	**(930)**	**(803)**	**(743)**	**1,929**
Underlying profit	**1,035**	**(930)**	**(803)**	**(743)**	**1,929**
Basic EPS (Rmb)	0.09	-0.08	-0.07	-0.06	0.16
Underlying EPS (Rmb)	0.09	-0.08	-0.07	-0.06	0.16
DPS (Rmb)	0.03	0.00	0.00	0.00	0.06

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-1%	-18%	-16%	-12%	-2%
EBITDA growth	-11%	-34%	-12%	-11%	-5%
EBIT growth	-14%	-38%	-12%	-13%	0%
Net income growth	-79%	-190%	-14%	-7%	-360%
EPS growth	-79%	-190%	-14%	-7%	-360%
Gross margin	11%	10%	11%	11%	11%
EBITDA margin	7%	6%	6%	6%	5%
EBIT margin	7%	5%	5%	5%	5%
Underlying profit margin	0%	0%	0%	0%	1%
Dividend payout ratio	40%	0%	0%	0%	40%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	1,035	(930)	(803)	(743)	1,929
D&A add-back	2,094	2,143	1,960	1,942	1,397
Minorities interests add-back	3,987	3,788	3,245	2,694	2,034
Net (inc)/dec working capital	(1,876)	42,288	34,478	37,652	102,271
Other operating cash flow	11,489	(51,637)	(42,218)	(41,982)	(65,750)
Cash flow from operations	**16,728**	**(4,349)**	**(3,337)**	**(436)**	**41,880**
Capital expenditures	(487)	(401)	(339)	(299)	(292)
Acquisitions	(2,767)				
Divestitures	0				
Others	1,258	(321)	(519)	(686)	(2,066)
Cash flow from investments	**(1,997)**	**(722)**	**(857)**	**(985)**	**(2,358)**
Dividends paid (common & pref)	(13,301)	(9,173)	(8,542)	(8,391)	(8,214)
Incl/(dec) in debt	(6,741)	(8,632)	(8,000)	(3,600)	(10,000)
Common stock issuance (repurchase)					
Other financing cash flows	(5,950)				
Cash flow from financing	**(25,992)**	**(17,805)**	**(16,542)**	**(11,991)**	**(18,214)**
Total cash flow	**(11,261)**	**(22,876)**	**(20,735)**	**(13,412)**	**21,308**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	122,906	100,030	79,295	65,883	87,190
Accounts receivable	137,946	114,712	98,520	86,976	85,065
Inventory	668,175	622,738	581,331	544,937	449,570
Other current assets	78,606	74,675	70,942	67,395	64,025
Total current assets	**1,007,633**	**912,155**	**830,088**	**765,191**	**685,849**
Net PP&E	7,553	5,965	4,503	3,023	2,088
Net intangibles	687	565	439	309	176
Total investments	146,526	146,847	147,366	148,052	150,118
Other long-term assets	25,894	25,894	25,894	25,894	25,894
Total assets	**1,188,292**	**1,091,426**	**1,008,289**	**942,469**	**864,124**
Accounts payable	226,679	191,538	159,876	141,200	137,977
Short-term loans	70,621	69,719	69,719	69,719	69,719
Other current liabilities	286,499	230,052	184,059	138,669	72,174
Total current liabilities	**583,799**	**491,308**	**413,654**	**349,588**	**279,870**
Long-term debt	270,535	262,805	254,805	251,205	241,205
Other long-term liabilities	4,322	4,629	4,629	4,629	4,629
Total liabilities	**858,657**	**758,742**	**673,088**	**605,422**	**525,704**
Preferred shares	**47**	**47**	**47**	**47**	**47**
Total common equity	**191,842**	**190,912**	**190,109**	**189,366**	**190,521**
Minority interest	137,747	141,725	145,045	147,634	147,852
Total liabilities & equity	**1,188,292**	**1,091,426**	**1,008,289**	**942,469**	**864,124**
BVPS (Rmb)	**16.03**	**15.95**	**15.88**	**15.82**	**15.92**
RNAV (Rmb mn)			**81,159**		
RNAVPS (Rmb)			**6.78**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	1%	0%	0%	0%	1%
ROA (%)	0%	0%	0%	0%	0%
Inventory days	888	995	1,109	1,177	994
Receivables days	163	165	168	168	168
Payable days	301	306	305	305	305
Net debt/equity (%)	66%	70%	73%	76%	66%
Total liabilities/total assets (%)	72%	70%	67%	64%	61%

Source: Company data, Goldman Sachs Global Investment Research

Longfor (0960.HK): Near-term DP headwinds to intensify; leading deleveraging progress provides potential reinvestment headroom around 2029E; Neutral

0960.HK	12m Price Target: HK$6.3	Price: HK$5.05	Upside: 24.9%

Neutral

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: HK$35.5bn / $4.5bn	**Revenue (Rmb mn) New**	**97,308.6**	**74,343.8**	**54,811.2**	**49,726.8**
Enterprise value: HK$261.4bn / $33.3bn	Revenue (Rmb mn) Old	97,308.6	74,483.1	69,938.8	68,394.8
3m ADTV :HK$132.8mn/ $16.9mn	EBITDA (Rmb mn)	6,926.0	3,937.6	6,196.2	8,186.2
China	**EPS (Rmb) New**	**(0.24)**	**(0.38)**	**0.09**	**0.28**
China Property	EPS (Rmb) Old	(0.24)	(0.33)	0.16	0.34
	P/E (X)	NM	NM	46.7	15.3
M&A Rank: 3	P/B (X)	0.4	0.2	0.2	0.2
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.8	0.0	0.6	2.0
	CROCI (%)	NM	NM	0.6	0.9
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	0.09	(0.48)	0.04	0.06

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

We estimate only 63% of Longfor's inventory will be developed to saleable level before end-2031E, assuming limited raw land development (only 30% to be constructed). This is partly due to the company's deleveraging focus, partly due to low-margin for such raw land where we expect the company has low intention to develop and sell amid the ongoing downcycle. We expect based on our current contract sales estimate, combined with cash flow from its IP business, the company will have sufficient liquidity to meet its bond repayment needs and reduce leverage further to 48% by end-2029E, the lowest among our coverage universe and also leave headroom for the company to start reinvestment around 2029E. In addition, potential capital recycling of its mall assets (~Rmb260bn book value at end-1H26) through REITs channel will also provide headroom for it to resume land banking, though the management doesn't have a plan to do so in the near-term.

Profitability & return

With contracting DP revenue booking and thus less drag to its overall profitability, we estimate the company's underlying profit will turn positive in 2027E and steadily increase in 2028E-2029E, leading to gradual ROE recovery to 3.1%. Meanwhile, we assume Longfor will resume dividend payout (30% payout ratio for 2027E-2029E), implying a 3.7% dividend yield by 2029E.

Forecasts, TP changes & valuation

We widen our 2026E net loss forecast by 36% and revise down 2027-28E net profit estimates by 44%/18%: **1)** we cut the 2027-28E contract sales by c.50%, projecting the contract sales to drop significantly in 2027E (given only 7% inventory applicable for the old presale model and a massive volume of completed unsold projects remains relatively illiquid) before stabilizing in 2028E as we believe Longfor will maintain certain sales scale, prioritizing cash flow over profitability in the near term to meet debt repayment needs; **2)** as a result, we expect DP GPM to remain under pressure over the coming 2-3

years and thus revise down 2027-28E DP GPM by 10pp vs. prior. That being said, we expect the profit recovery trend to remain intact with DP business shrinking and introduce our 2029E underlying profit of Rmb4bn, implying 149% 27-29E CAGR.

We also introduce our end-27E NAV estimate of HK$9.7 (-2% from prior end-26E NAV) and expand the TP NAV discount to 35% from 25% previously, to reflect enhanced difficulty to digest lumpy inventory amid weak demand and continued margin pressure. As a result, we cut our 12m NAV-based target price for Longfor by 16% to HK$6.3. Longfor trades at a 48% discount to end-27E NAV, 0.3X 2027E P/B and 0.6% 2027E div. yield vs. coverage average of 33%/0.5X/1.7%. Maintain Neutral. Our current 2027E-28E topline/underlying profit estimates for Longfor are 26%/50% below Bloomberg consensus respectively.

Investment Thesis

We are Neutral rated on Longfor. While we remain positive on Longfor's ahead-of-peers debt pressure peak-out, alongside its stable recurring income outlook from IP/PM portfolio ramp-up, we remain cautious that a much weaker property sales outlook will lead to a more strenuous cash flow and earnings recovery outlook compared to Buy-rated peers in our coverage, and we see these risk-reward as fair at current valuation.

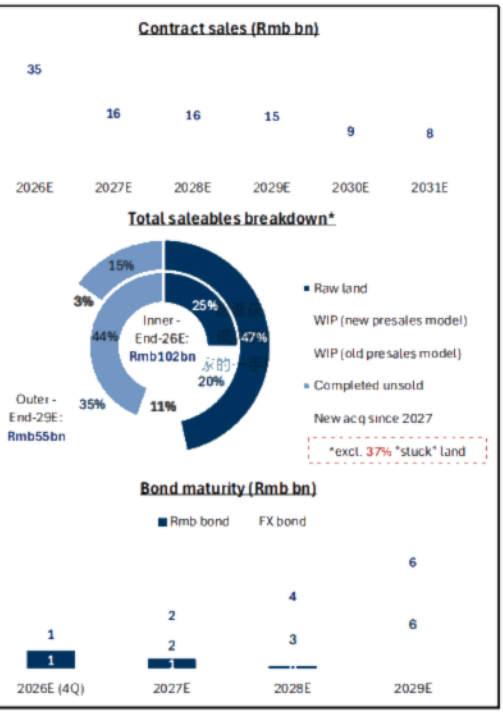
Price Target Risks & Methodology

Our 12m target price of HK$6.3 is based on a 35% discount to end-27E NAV.

Key risks: 1) Above- or below-policy execution on supply-side liquidity support and demand-side easing; 2) Better-/weaker-than-expected deleveraging plan execution leading to stronger/weaker liquidity conditions; 3) Stronger/weaker-than-expected sell-through; 4) Better-/weaker-than-expected margin especially for old-vintage projects acquired before the current downturn; 5) Above-/below-expectation rental growth.

Exhibit 28: Summary of key financials and operation metrics - Longfor

Longfor (0960.HK)					
Rating	Neutral				
End-27E NAV	(HK$)	9.7			
12-m TP	(HK$)	6.3			
TP implied upside	(%)	25%	*As of Oct 16, 2026*		
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	74	55	50	48
DP	(Rmb bn)	*46*	*26*	*20*	*17*
IP	(Rmb bn)	*15*	*16*	*17*	*18*
Others	(Rmb bn)	*13*	*13*	*13*	*13*
Core profit	(Rmb bn)	-2.7	0.7	2.0	4.0
Profitability					
GPM	(%)	9%	20%	26%	30%
DP	(%)	*-17%*	*-15%*	*-14%*	*-11%*
IP	(%)	*73%*	*73%*	*73%*	*73%*
Others	(%)	*26%*	*25%*	*24%*	*24%*
Core margin	(%)	-3.7%	1.2%	4.0%	8.4%
Return					
Underlying ROE	(%)	-2.1%	0.5%	1.6%	3.1%
Cash flow & leverage					
Total leverage	(%)	57%	53%	50%	48%
FCF	(Rmb bn)	5.7	2.1	1.2	2.7
Dividend	(Rmb bn)	0.0	0.2	0.6	1.2
Div. yield	(%)	0.0%	0.6%	1.8%	3.7%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 29: Summary of financials - Longfor

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**97,309**	**74,344**	**54,811**	**49,727**	**48,334**
Cost of goods sold	(87,874)	(67,742)	(43,756)	(36,916)	(33,755)
SG&A	(6,566)	(5,578)	(4,948)	(4,706)	(4,484)
EBITDA	**6,926**	**3,938**	**6,196**	**8,186**	**10,173**
Depreciation & amortization	(119)	(100)	(90)	(82)	(78)
EBIT	**6,807**	**3,838**	**6,106**	**8,105**	**10,095**
Interest income	395	137	91	75	51
Interest expense	(84)	(80)	(75)	(72)	(69)
Income/(loss) from uncons. subs.	(1,238)	(1,869)	(1,263)	(941)	40
Others	(641)	(344)	0	0	0
Pretax profits	**5,238**	**1,682**	**4,858**	**7,167**	**10,117**
Income tax	(4,191)	(3,202)	(3,987)	(4,675)	(5,708)
Minorities	(26)	127	(219)	(506)	(386)
Net income pre-preferred dividends	**1,022**	**(1,393)**	**651**	**1,986**	**4,043**
Preferred dividends	0	0	0	0	0
Net income (pre-exceptionals)	**1,022**	**(1,393)**	**651**	**1,986**	**4,043**
Post-tax exceptionals	0	0	0	0	0
Net income	**1,022**	**(1,393)**	**651**	**1,986**	**4,043**
Underlying profit	**(1,700)**	**(2,715)**	**651**	**1,986**	**4,043**
Basic EPS (Rmb)	0.15	-0.20	0.09	0.28	0.57
Underlying EPS (Rmb)	-0.24	-0.38	0.09	0.28	0.57
DPS (Rmb)	0.07	0.00	0.03	0.08	0.17

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-24%	-24%	-26%	-9%	-3%
EBITDA growth	-59%	-43%	57%	32%	24%
EBIT growth	-59%	-44%	59%	33%	25%
Net income growth	-90%	-236%	-147%	205%	104%
EPS growth	-124%	60%	-124%	205%	104%
Gross margin	10%	9%	20%	26%	30%
EBITDA margin	7%	5%	11%	16%	21%
EBIT margin	7%	5%	11%	16%	21%
Underlying profit margin	-2%	-4%	1%	4%	8%
Dividend payout ratio	-30%	0%	30%	30%	30%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	1,022	(1,393)	651	1,986	4,043
D&A add-back	119	100	90	82	78
Minorities interests add-back	26	(127)	219	506	366
Net (incr)/dec working capital	22,735	17,315	7,617	5,798	5,309
Other operating cash flow	(2,025)	(2,460)	1,263	941	(40)
Cash flow from operations	**21,876**	**13,434**	**9,841**	**9,312**	**9,756**
Capital expenditures	(48)	(27)	(13)	(12)	(11)
Acquisitions	0				
Divestitures	1,763				
Others	(5,965)	(7,696)	(7,705)	(8,059)	(7,083)
Cash flow from investments	**(4,250)**	**(7,723)**	**(7,718)**	**(8,071)**	**(7,095)**
Dividends paid (common & pref)	(657)	(493)	0	(195)	(596)
Incl/(dec) in debt	(30,584)	(9,941)	(6,000)	(7,000)	(4,000)
Common stock issuance (repurchase)	(79)				
Other financing cash flows	(6,896)				
Cash flow from financing	**(38,216)**	**(10,434)**	**(6,000)**	**(7,195)**	**(4,596)**
Total cash flow	**(20,590)**	**(4,722)**	**(3,877)**	**(5,954)**	**(1,935)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	27,362	22,640	18,762	12,808	10,873
Accounts receivable	110,327	97,767	72,081	61,307	58,266
Inventory	178,793	138,332	116,926	100,965	86,978
Other current assets	-	-	-	-	-
Total current assets	**316,482**	**258,739**	**207,768**	**175,080**	**156,117**
Net PP&E	1,768	1,695	1,618	1,549	1,482
Net intangibles	3,835	3,835	3,835	3,835	3,835
Total investments	260,221	266,319	273,027	280,405	287,783
Other long-term assets	13,556	13,285	13,019	12,759	12,504
Total assets	**595,862**	**543,873**	**499,267**	**473,627**	**461,721**
Accounts payable	76,140	64,958	45,565	38,434	35,142
Short-term loans	15,795	15,854	15,854	15,854	15,854
Other current liabilities	94,774	65,428	45,550	32,135	24,325
Total current liabilities	**186,709**	**146,240**	**106,969**	**86,423**	**75,321**
Long-term debt	137,015	127,015	121,015	114,015	110,015
Other long-term liabilities	35,136	35,136	35,136	35,136	35,136
Total liabilities	**358,860**	**308,391**	**263,109**	**235,573**	**220,471**
Preferred shares	-	-	-	-	-
Total common equity	**162,810**	**161,417**	**161,872**	**163,262**	**166,092**
Minority interest	74,193	74,066	74,285	74,791	75,157
Total liabilities & equity	**595,862**	**543,873**	**499,267**	**473,627**	**461,721**
BVPS (Rmb)	**23.12**	**22.92**	**22.99**	**23.19**	**23.59**
RNAV (Rmb mn)			**63,205**		
RNAVPS (Rmb)			**8.94**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	-1%	-2%	1%	2%	3%
ROA (%)	0%	0%	0%	0%	1%
Inventory days	743	745	975	998	941
Receivables days	414	480	480	450	440
Payable days	316	350	380	380	380
Net debt/equity (%)	61%	59%	58%	57%	55%
Total liabilities/total assets (%)	60%	57%	53%	50%	48%

Source: Company data, Goldman Sachs Global Investment Research

Seazen (1030.HK): Most impacted (negative) from the new sales model; Sell

1030.HK	12m Price Target: HK$1.22	Price: HK$1.39	Downside: 11.9%

Sell

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: HK$9.8bn / $1.2bn	**Revenue (Rmb mn) New**	**53,135.9**	**39,763.1**	**33,301.6**	**28,858.3**
Enterprise value: HK$108.7bn / $13.9bn	Revenue (Rmb mn) Old	53,135.9	39,763.1	32,892.6	27,194.7
3m ADTV :HK$30.2mn/ $3.8mn	EBITDA (Rmb mn)	7,420.7	6,578.5	5,632.1	5,327.6
China	**EPS (Rmb) New**	**0.05**	**0.03**	**0.02**	**0.05**
China Property	EPS (Rmb) Old	0.05	0.03	0.08	0.12
	P/E (X)	37.3	34.0	60.2	22.1
M&A Rank: 3	P/B (X)	0.3	0.2	0.2	0.2
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.0	0.0	0.0	0.0
	CROCI (%)	0.6	2.5	2.6	2.3
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	0.09	(0.05)	0.01	(0.07)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

Seazen has the smallest and weakest landbank among companies our coverage, with high exposure to lower-tier cities (c.60% vs. 1/3 of coverage average, alongside only 1% exposure in Tier 1 cities) and aged inventory due to a prolonged pause in land replenishment, making destocking challenging. We expect Seazen to prioritize cash collection over profitability, similar to other liquidity-constrained POEs, maintaining annual contract sales of around Rmb10bn over the next few years. However, the internally generated cash remains insufficient to cover debt repayment requirements under our assumptions, leaving refinancing availability a key determinant of liquidity. We assume Seazen's debt to be rolled over when matured and the company facing challenges to resume land investment during our forecast period, as balance sheet remain stretched with low cash/S-T debt ratio at 40%+, despite total leverage declining from 67% in 2026E to 60% in 2029E.

Profitability & return

With cash collection taking priority, we expect continued price concessions on remaining inventory to weigh on DP profitability. We forecast DP GPM to decline from 10% in 2026E to -2% in 2029E, alongside a c.50% reduction in DP revenue. Meanwhile, IP revenue is projected to remain broadly stable at around Rmb7bn annually, with a 70% GPM, providing a cushion to group earnings and helping both core margin and underlying ROE stabilizing at around 1% by 2029E. With FCF remaining negative and debt service taking priority, we assume no dividends during the forecast period.

Forecasts, TP changes & valuation

We leave 2026E forecasts largely unchanged while cutting 2027-28E net profit estimates by 66% on average to reflect lower DP margin (-6pp vs. prior estimates) as well as higher SG&A expenses with enhanced marketing efforts. We introduce our 2029E net profit forecast of Rmb0.3bn, -22% yoy as we expect contract sales to pick up moderately with projects under new presale model gradually completing, and leading to loss expansion under negative DP GPM assumption.

We also introduce end-27E NAV estimate of HK$3.04 per share (-2% vs. prior end-26E NAV due to higher net debt) and widen our TP NAV discount by 10pp to 60% to reflect deteriorated earnings outlook and heightened balance sheet constraints. As a result, we lower our 12m NAV-based target price for Seazen by 21% to HK$1.22, implying 12% downside against the October 16 closing price. Seazen trades at a 54% discount to end-27E NAV and 0.3X 2027E P/B plus nil dividend yield vs. coverage developers average of 33%/0.5X/1.7%. Maintain Sell. Our current 2026E-28E topline/underlying profit estimates for Seazen are respectively 5% above/75% below Bloomberg consensus mainly driven by lower DP margin forecasts.

Investment Thesis

Seazen is a developer of residential complexes and shopping malls in Tier 2/3 cities in the Yangtze River Delta (YRD) in China, and as of 1H26 it owned a mall portfolio of 212 Wuyue Plazas across 147 cities (No.2 ranked by scale). We are Sell-rated on Seazen. Despite the support of recurring income from the company's nationwide renowned commercial portfolio comprising 200+ malls, we see Seazen's landbank as aged and unfavorably positioned. We expect the persistent negative impact from the sharply declining DP sales and margins on earnings/cash flow and un-alleviated debt service stress to remain an overhang on Seazen's business operation outlook and continue to weigh on Seazen's near-term valuation recovery potential.

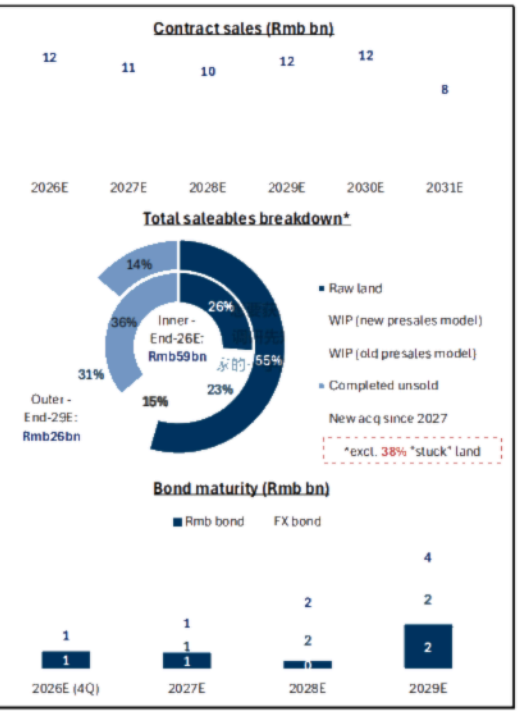
Price Target Risks & Methodology

Our 12m target price of HK$1.22 is based on a 60% discount to end-27E NAV.

Key upside risks: 1) Rental performance beat supported by stronger-than-expected commercial operation expertise and/or higher-than-expected retail sales in Seazen's malls; 2) Faster-than-expected recovery in the housing market, leading to contract sales and margin beats for property development business; 3) Better-than-expected access to funding at lower financing costs, so as to help mitigate the funding gap for the company; 4) Unexpected IP revaluation gains that could lead earnings to exceed our forecasts.

Exhibit 30: Summary of key financials and operation metrics - Seazen

Seazen (1030.HK)					
Rating	Sell				
End-27E NAV	(HK$)	3.04			
12-m TP	(HK$)	1.22			
TP implied upside	(%)	-12%	*As of Oct 16, 2026*		
		2026E	**2027E**	**2028E**	**2029E**
Scale					
Revenue booking	(Rmb bn)	40	33	29	29
DP	(Rmb bn)	*26*	*19*	*14*	*14*
IP	(Rmb bn)	*7*	*7*	*7*	*7*
Others	(Rmb bn)	*7*	*7*	*8*	*8*
Core profit	(Rmb bn)	0.2	0.1	0.4	0.3
Profitability					
GPM	(%)	26%	27%	30%	28%
DP	(%)	*10%*	*6%*	*2%*	*-2%*
IP	(%)	*70%*	*70%*	*70%*	*70%*
Others	(%)	*39%*	*40%*	*42%*	*42%*
Core margin	(%)	0.6%	0.4%	1.3%	1.0%
Return					
Underlying ROE	(%)	0.7%	0.4%	1.0%	0.8%
Cash flow & leverage					
Total leverage	(%)	67%	64%	62%	60%
FCF	(Rmb bn)	-1.5	-0.3	-0.2	-0.1
Dividend	(Rmb bn)	0.0	0.0	0.0	0.0
Div. yield	(%)	0%	0%	0%	0%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 31: Summary of financials - Seazen

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**53,136**	**39,763**	**33,302**	**28,858**	**28,696**
Cost of goods sold	(40,735)	(29,564)	(24,240)	(20,236)	(20,595)
SG&A	(4,581)	(3,286)	(3,133)	(3,030)	(2,968)
EBITDA	**7,421**	**6,579**	**5,632**	**5,328**	**4,856**
Depreciation & amortization	(198)	(166)	(153)	(135)	(121)
EBIT	**7,223**	**6,412**	**5,479**	**5,192**	**4,735**
Interest income	63	42	23	20	19
Interest expense	(3,099)	(3,068)	(3,013)	(3,020)	(3,027)
Income/(loss) from uncons. subs.	(269)	(220)	(171)	(137)	(110)
Others	5	0	0	0	0
Pretax profits	**3,924**	**3,166**	**2,318**	**2,056**	**1,617**
Income tax	(3,602)	(2,986)	(2,215)	(1,820)	(1,517)
Minorities	72	46	35	140	191
Net income pre-preferred dividends	**393**	**226**	**138**	**375**	**291**
Preferred dividends					
Net income (pre-exceptionals)	**393**	**226**	**138**	**375**	**291**
Post-tax exceptionals	0	0	0	0	0
Net income	**393**	**226**	**138**	**375**	**291**
Underlying profit	**380**	**245**	**138**	**375**	**291**
Basic EPS (Rmb)	0.06	0.03	0.02	0.05	0.04
Underlying EPS (Rmb)	0.05	0.03	0.02	0.05	0.04
DPS (Rmb)	0.00	0.00	0.00	0.00	0.00

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-40%	-25%	-16%	-13%	-1%
EBITDA growth	4%	-11%	-14%	-5%	-9%
EBIT growth	5%	-11%	-15%	-5%	-9%
Net income growth	-70%	-43%	-39%	172%	-22%
EPS growth	-40%	-36%	-44%	172%	-22%
Gross margin	23%	26%	27%	30%	28%
EBITDA margin	14%	17%	17%	18%	17%
EBIT margin	14%	16%	16%	18%	16%
Underlying profit margin	1%	1%	0%	1%	1%
Dividend payout ratio	0%	0%	0%	0%	0%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	393	226	138	375	291
D&A add-back	198	166	153	135	121
Minorities interests add-back	(72)	(46)	(35)	(140)	(191)
Net (inc)/dec working capital	(2,542)	(4,938)	(4,125)	(3,623)	(3,259)
Other operating cash flow	95	1,977	2,423	1,890	1,871
Cash flow from operations	**(1,928)**	**(2,615)**	**(1,447)**	**(1,362)**	**(1,167)**
Capital expenditures	(42)	(40)	(40)	(40)	(40)
Acquisitions	-0				
Divestitures	1,952				
Others	(498)	1,118	1,178	1,162	1,119
Cash flow from investments	**1,412**	**1,078**	**1,138**	**1,121**	**1,079**
Dividends paid (common & pref)	0	0	0	0	0
Incl/(dec) in debt	(2,725)	(167)	0	0	0
Common stock issuance (repurchase)	0				
Other financing cash flows	894				
Cash flow from financing	**(1,831)**	**(167)**	**0**	**0**	**0**
Total cash flow	**(2,347)**	**(1,704)**	**(309)**	**(241)**	**(55)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	4,568	2,863	2,555	2,314	2,226
Accounts receivable	34,703	25,928	20,985	18,185	18,083
Inventory	71,068	61,156	50,999	42,751	34,058
Other current assets	2,331	2,331	1,749	1,399	1,119
Total current assets	**112,670**	**92,278**	**76,287**	**64,648**	**55,487**
Net PP&E	3,191	3,098	3,010	2,925	2,844
Net intangibles	34	35	10	-	-
Total investments	144,871	143,616	142,381	141,194	140,075
Other long-term assets	5,843	5,726	5,611	5,499	5,389
Total assets	**266,609**	**244,753**	**227,299**	**214,267**	**203,795**
Accounts payable	75,636	64,823	53,956	43,645	34,599
Short-term loans	14,154	10,813	10,813	10,813	10,813
Other current liabilities	43,877	31,744	24,107	20,509	18,311
Total current liabilities	**133,667**	**107,380**	**88,875**	**74,967**	**63,723**
Long-term debt	40,604	43,778	43,778	43,778	43,778
Other long-term liabilities	10,779	11,857	12,805	13,446	14,118
Total liabilities	**185,050**	**163,015**	**145,459**	**132,191**	**121,619**
Preferred shares	-	-	-	-	-
Total common equity	**46,584**	**46,810**	**46,948**	**47,324**	**47,615**
Minority interest	34,974	34,928	34,892	34,753	34,561
Total liabilities & equity	**266,609**	**244,753**	**227,299**	**214,267**	**203,795**
BVPS (Rmb)	**6.59**	**6.62**	**6.64**	**6.70**	**6.74**
RNAV (Rmb mn)			**19,658**		
RNAVPS (Rmb)			**2.79**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	1%	1%	0%	1%	1%
ROA (%)	0%	0%	0%	0%	0%
Inventory days	637	755	768	771	804
Receivables days	238	238	230	230	230
Payable days	482	488	550	520	390
Net debt/equity (%)	59%	60%	61%	61%	61%
Total liabilities/total assets (%)	69%	67%	64%	62%	60%

Source: Company data, Goldman Sachs Global Investment Research

Vanke (000002.SZ/2202.HK): Deteriorating DP earnings and persistent balance sheet constraints; Sell

000002.SZ **12m Price Target: Rmb2.9** **Price: Rmb3.66** **Downside: 20.8%**

Sell

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: Rmb43.7bn / $6.5bn	**Revenue (Rmb mn) New**	**231,309.9**	**149,230.0**	**117,981.0**	**116,356.4**
Enterprise value: Rmb437.4bn / $65.4bn	Revenue (Rmb mn) Old	231,309.9	149,230.0	117,801.6	116,616.1
3m ADTV :Rmb952.1mn/ $141.8mn	EBITDA (Rmb mn)	(57,609.2)	(19,227.9)	(11,737.0)	(12,123.6)
China	**EPS (Rmb) New**	**(7.45)**	**(2.47)**	**(1.63)**	**(1.50)**
China Property	EPS (Rmb) Old	(7.45)	(2.47)	(1.37)	(0.95)
	P/E (X)	NM	NM	NM	NM
M&A Rank: 3	P/B (X)	0.7	0.5	0.6	0.9
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.0	0.0	0.0	0.0
	CROCI (%)	4.4	NM	NM	NM
		6/26	**9/26E**	**12/26E**	**3/27E**
	EPS (Rmb)	(0.75)	(0.37)	(0.85)	(0.25)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

2202.HK **12m Price Target: HK$2.2** **Price: HK$2.43** **Downside: 9.5%**

Sell

GS Forecast

		12/25	12/26E	12/27E	12/28E
Market cap: HK$29.0bn / $3.7bn	**Revenue (Rmb mn) New**	**231,309.9**	**149,230.0**	**117,981.0**	**116,356.4**
Enterprise value: HK$491.0bn / $62.6bn	Revenue (Rmb mn) Old	231,309.9	149,230.0	117,801.6	116,616.1
3m ADTV :HK$83.4mn/ $10.6mn	EBITDA (Rmb mn)	(57,609.2)	(19,227.9)	(11,737.0)	(12,123.6)
China	**EPS (Rmb) New**	**(7.45)**	**(2.47)**	**(1.63)**	**(1.50)**
China Property	EPS (Rmb) Old	(7.45)	(2.47)	(1.37)	(0.95)
	P/E (X)	NM	NM	NM	NM
M&A Rank: 3	P/B (X)	0.5	0.3	0.4	0.5
Leases incl. in net debt & EV?: No	Dividend yield (%)	0.0	0.0	0.0	0.0
	CROCI (%)	2.6	NM	NM	NM
		6/26	**12/26E**	**6/27E**	**12/27E**
	EPS (Rmb)	(1.25)	(1.22)	(0.49)	(1.14)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 16 Oct 2026 close.

Land bank quality & reinvestment

Vanke has a sizable land bank, but we estimate that only 56% of its end-26E inventory will be developed due to relatively weak landbank quality (c.50% located in lower-tier cities, compared with 1/3 of coverage average) and the resulting low margin. Nevertheless, we expect Vanke to focus on maintaining stable contract sales despite weak demand, prioritizing cash flow generation over profitability to meet debt repayment needs. We assume Vanke will repay all debt at maturity, given refinancing difficulties (especially for offshore bonds) and its deleveraging objectives. However, we believe debt repayment could be insufficient to offset the shrinking equity on continued losses. We therefore project the leverage ratio to edge up to 78% by 2029E, the highest among our coverage.

Profitability & return

With cash-driven inventory sales, we expect Vanke's DP GPM to deteriorate from 8% in 2026E to -4% in 2029E, keeping core margins deeply negative (around negative

mid-teens) in 2027E–2029E. Continued losses and a shrinking equity base would drive underlying ROE lower, from c.-30% in 2026E to c.-50% by 2029E. We expect no dividends throughout the forecast period as net losses persist.

Forecasts, TP changes & valuation

We leave our topline forecasts largely unchanged but widen our 2026E–2028E net loss forecasts by 26% on average due to lower DP GPM and higher marketing expenses to support sales amid sluggish demand. We also introduce our 2029E net loss forecast of Rmb19bn, broadly in line with the 2027E–2028E average, as well as an end-27E NAV estimate of Rmb3.6 per share (+3% from our previous end-26E NAV estimate). We widen our TP NAV discount by 10pp each to 20%/45% for A/H shares reflecting heightened balance-sheet constraints. Accordingly, we lower our 12m NAV-based target prices for Vanke A/H by 9%/12% to Rmb2.9/HK$2.2, implying -21%/-9% downside against October 16 closing prices. Vanke A/H trade at +2%/-38% premium/discount to end-27E NAV and 0.7X/0.4X 2027E P/B vs. coverage developers average of -33%/0.5X. Retain Sell on both. Our current 2026E-28E topline/net losses estimates for Vanke are 19% below/37% larger than Bloomberg consensus, respectively, which we believe is driven by lower contract sales and weaker DP GPM forecasts.

Investment Thesis

We are Sell rated on Vanke A/H given its behind-peers deleveraging progress, strenuous liquidity condition vs. coverage peers, and heightened earnings downside from inventory impairment, and we see limited visibility for turnaround given incrementally challenging destocking for its remaining inventory and disposable assets, and margin and inventory write-down pressure to persist until ASP stabilization is restored, which should continue to weigh on Vanke's near-term valuation recovery potential.

Price Target Risks & Methodology

Our 12m target price for Vanke A/H of Rmb2.9/HK$2.2 is based on a 20%/45% discount to end-27E NAV.

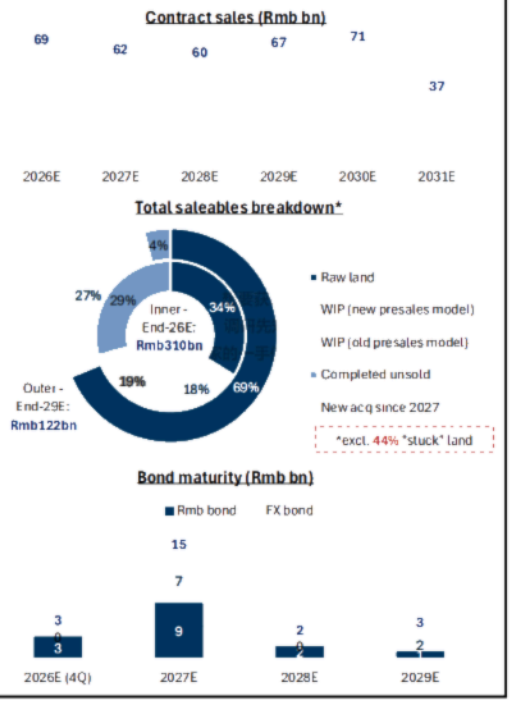
Key upside risks: 1) targeted all-rounded funding support from government; 2) well-executed asset disposal and refinancing plan to facilitate debt reduction; 3) stronger-than expected physical market recovery especially in higher-tier cities that leads to stronger-than-expected sell-through and ASP for its remaining inventory.



Exhibit 32: Summary of key financials and operation metrics - Vanke

Vanke (A/H)		000002.SZ	2202.HK
Rating		Sell	Sell
End-27E NAV	(Rmb/HK$)	3.6	3.9
12-m TP	(Rmb/HK$)	2.9	2.2
TP implied upside	(%)	-21%	-9% *As of Oct 16, 2026*

		2026E	2027E	2028E	2029E
Scale					
Revenue booking	(Rmb bn)	149	118	116	125
DP	(Rmb bn)	*107*	*73*	*69*	*74*
IP	(Rmb bn)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Others	(Rmb bn)	*42*	*45*	*48*	*51*
Core profit	(Rmb bn)	-28.9	-19.5	-17.9	-19.3
Profitability					
GPM	(%)	4%	2%	0%	-2%
DP	(%)	*8%*	*4%*	*0%*	*-4%*
IP	(%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Others	(%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*
Core margin	(%)	-19.3%	-16.5%	-15.4%	-15.4%
Return					
Underlying ROE	(%)	-28.2%	-25.1%	-30.3%	-47.7%
Cash flow & leverage					
Total leverage	(%)	76%	76%	77%	78%
FCF	(Rmb bn)	-2.5	12.6	-1.1	2.5
Dividend	(Rmb bn)	0.0	0.0	0.0	0.0
Div. yield	(%)	0%	0%	0%	0%



Source: Datastream, Goldman Sachs Global Investment Research

Exhibit 33: Summary of financials - Vanke

Profit model (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Total revenue	**231,310**	**149,230**	**117,981**	**116,356**	**125,049**
Cost of goods sold	(218,601)	(142,536)	(115,577)	(116,335)	(127,498)
SG&A	(14,117)	(9,551)	(8,141)	(8,145)	(8,253)
EBITDA	**(57,609)**	**(19,228)**	**(11,737)**	**(12,124)**	**(13,702)**
Depreciation & amortization	(8,309)	(7,363)	(6,511)	(5,855)	(5,383)
EBIT	**(65,918)**	**(26,591)**	**(18,248)**	**(17,979)**	**(19,085)**
Interest income	1,355	984	646	556	462
Interest expense	(8,974)	(8,648)	(7,507)	(6,503)	(6,451)
Income/(loss) from uncons. subs	(5,841)	(4,247)	(3,012)	(2,382)	(2,225)
Others	5,455	6,374	6,511	5,855	
Pretax profits	**(73,924)**	**(32,127)**	**(21,610)**	**(20,452)**	**(21,916)**
Income tax	(17,886)	1,394	930	904	985
Minorities	3,254	1,265	1,183	1,679	1,657
Net income pre-preferred dividends	**(88,556)**	**(29,469)**	**(19,498)**	**(17,869)**	**(19,274)**
Net income (pre-exceptionals)	**(88,556)**	**(29,469)**	**(19,498)**	**(17,869)**	**(19,274)**
Net income	**(88,556)**	**(29,469)**	**(19,498)**	**(17,869)**	**(19,274)**
Underlying profit	**(85,917)**	**(28,851)**	**(19,498)**	**(17,869)**	**(19,274)**
Basic EPS (Rmb)	-7.45	-2.47	-1.63	-1.50	-1.62
Underlying EPS (Rmb)	-7.45	-2.47	-1.63	-1.50	-1.62
DPS (Rmb)	0.00	0.00	0.00	0.00	0.00

Growth & margins (%)	2025A	2026E	2027E	2028E	2029E
Sales growth	-32%	-35%	-21%	-1%	7%
EBITDA growth	68%	-67%	-39%	3%	13%
EBIT growth	61%	-60%	-31%	-1%	6%
Net income growth	79%	-67%	-34%	-8%	8%
EPS growth	94%	-67%	-34%	-8%	8%
Gross margin	5%	4%	2%	0%	-2%
EBITDA margin	-25%	-13%	-10%	-10%	-11%
EBIT margin	-28%	-18%	-15%	-15%	-15%
Underlying profit margin	-37%	-19%	-17%	-15%	-15%
Dividend payout ratio	0%	0%	0%	0%	0%

Cash flow statement (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Net income pre-preferred dividends	(88,556)	(29,469)	(19,498)	(17,869)	(19,274)
D&A add-back	8,309	7,363	6,511	5,855	5,383
Minorities interests add-back	(3,254)	(1,265)	(1,183)	(1,679)	(1,657)
Net (inc)/dec working capital	(4,881)	12,727	26,714	12,124	14,345
Other operating cash flow	87,394	6,367	(252)	49	3,412
Cash flow from operations	**(988)**	**(4,276)**	**12,293**	**(1,520)**	**2,208**
Capital expenditures	(3,195)	(2,238)	(1,652)	(1,629)	(1,751)
Acquisitions	(1,253)	0	0	0	0
Divestitures					
Others	8,137	4,000	2,000	2,000	2,000
Cash flow from investments	**3,689**	**1,762**	**348**	**371**	**249**
Dividends paid (common & pref)	0	0	0	0	0
Incl/(dec) in debt	(2,672)	(12,471)	(15,397)	(1,934)	(3,161)
Common stock issuance (repurchase)					
Other financing cash flows	(22,518)	(3,454)	(3,270)	(3,179)	(3,153)
Cash flow from financing	**(25,189)**	**(15,925)**	**(18,667)**	**(5,113)**	**(6,314)**
Total cash flow	**(22,489)**	**(18,440)**	**(6,026)**	**(6,263)**	**(3,856)**

Balance sheet (Rmb mn)	2025A	2026E	2027E	2028E	2029E
Cash & equivalents	61,521	43,080	37,054	30,792	26,935
Accounts receivable	196,874	132,567	104,807	103,364	111,086
Inventory	373,738	318,119	283,957	247,425	191,341
Other current assets	65,241	50,560	43,969	38,832	32,064
Total current assets	**697,374**	**544,326**	**469,817**	**420,413**	**361,426**
Net PP&E	19,948	16,935	14,187	12,073	10,551
Net intangibles	33,976	31,865	29,753	27,642	25,530
Total investments	106,912	102,665	99,652	97,271	95,046
Other long-term assets	162,412	158,412	156,412	154,412	152,412
Total assets	**1,020,623**	**854,203**	**769,822**	**711,811**	**644,966**
Accounts payable	268,091	217,527	193,270	182,589	155,446
Short-term loans	162,982	182,904	182,904	182,904	182,904
Other current liabilities	134,125	71,608	55,658	36,240	25,753
Total current liabilities	**565,198**	**472,039**	**431,832**	**401,733**	**364,104**
Long-term debt	168,481	136,087	120,680	118,756	115,595
Other long-term liabilities	51,084	40,867	32,684	26,155	20,924
Total liabilities	**784,763**	**648,994**	**585,216**	**546,644**	**500,623**
Preferred shares	-	-	-	-	-
Total common equity	**116,905**	**87,437**	**67,939**	**50,070**	**30,795**
Minority interest	118,955	117,773	116,667	115,097	113,548
Total liabilities & equity	**1,020,623**	**854,203**	**769,822**	**711,811**	**644,966**
BVPS (Rmb)	**9.80**	**7.33**	**5.69**	**4.20**	**2.58**
RNAV (Rmb mn)			**42,981**		
RNAVPS (Rmb)			**3.60**		

Ratios	2025A	2026E	2027E	2028E	2029E
ROE (%)	-54%	-28%	-25%	-30%	-48%
ROA (%)	-7%	-3%	-2%	-2%	-3%
Inventory days	624	815	897	776	548
Receivables days	347	254	286	322	336
Payable days	488	622	649	590	484
Net debt/equity (%)	112%	134%	144%	164%	188%
Total liabilities/total assets (%)	77%	76%	76%	77%	78%

Source: Company data, Goldman Sachs Global Investment Research