

# Country Garden: Mixed signals on government efforts bolstering sector

DIGITAL ENGAGEMENT TEAM

26 AUGUST 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	2.58
Latest Dividend	0.10
Dividend Ex-Date	7/6/2022
Indicated Dividend Yield	14.44%
14 Day RSI	39.37
Analysts 12M Target Price	4.78

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>4/10</b> As of 24 Aug 2022

Refer to page 3 for indicator components

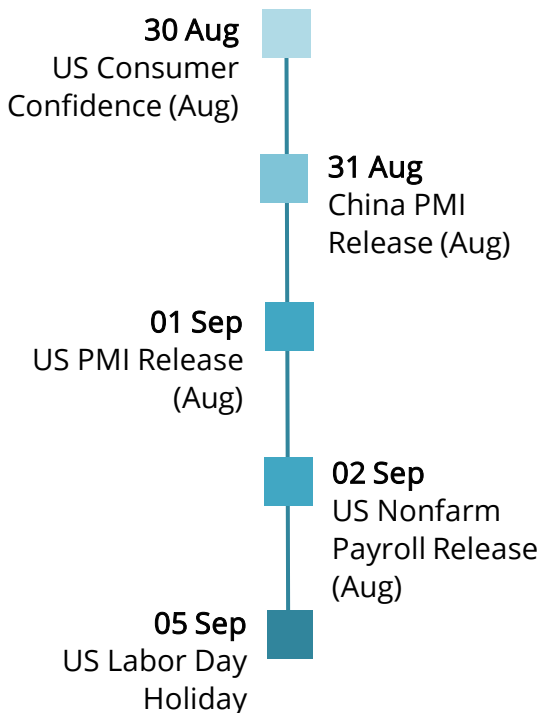
### Country Garden Holdings (2007 HK) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 23 Aug 2022 closing

### KEY MARKET EVENTS



### Hang Seng Index Price Chart



As of 23 Aug 2022 closing

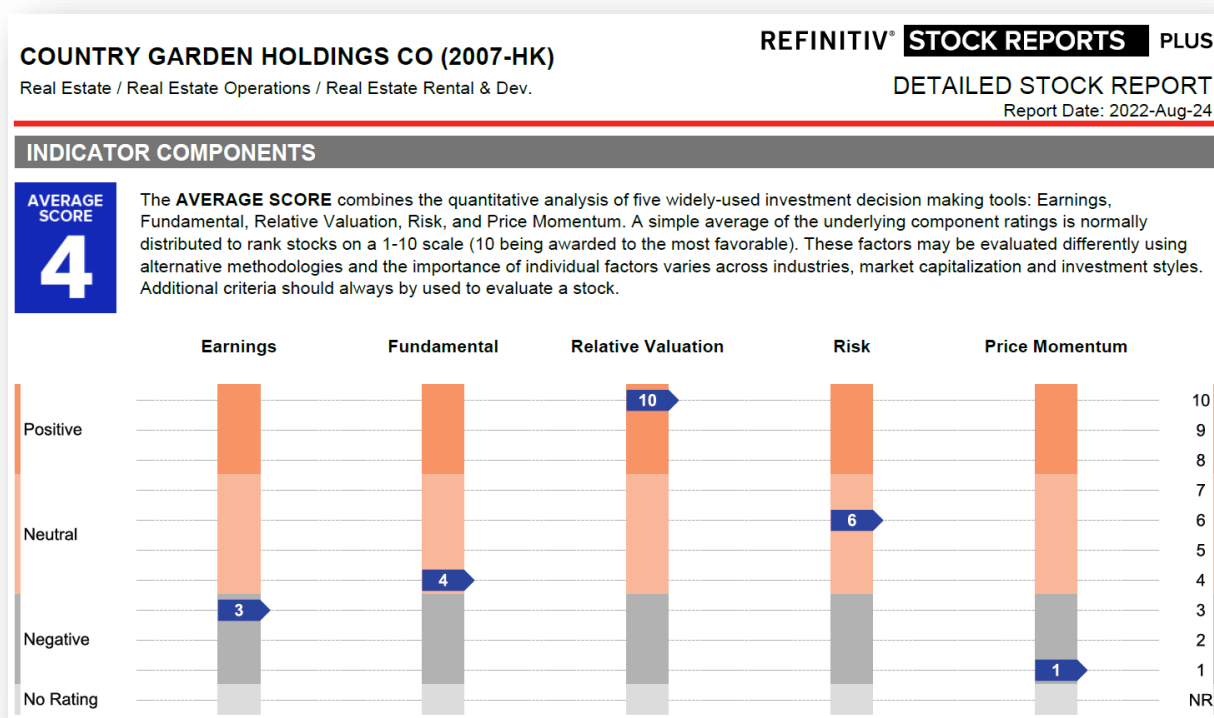
## Headline News & Information

- Country Garden Holdings Company Limited operates as a real estate development company. The company develops and markets high-rise residential buildings, low-rise apartments, villas, commercial facilities, office buildings, and other related areas. Country Garden Holdings also operates building renovation, property investment, property management, and other businesses (Bloomberg)
- China property support extends bond rally as shares show doubts (22 Aug 2022, Bloomberg)
  - Chinese markets are sending mixed signals about government efforts to bolster the property sector, with credit building on its biggest weekly gain since concerns Apr 2022 while stocks paused amid broader economic concerns.
  - Local governments have been helping lead property support efforts that include ensuring projects get completed
- Billionaire Yang Huiyan's Country Garden warns profit will plunge 70% amid China's property crisis (19 Aug 2022, Forbes)
  - Country Garden Holdings controlled by billionaire Yang Huiyan and her family said that it expects first-half profits to tumble as much as 70%, adding to signs of the deepening crisis in China's property market
  - The company blamed the profit slump to the tough business environment faced by the real estate industry as China continues to impose Covid-19 pandemic restrictions to achieve its zero-Covid policy. As a result of prevailing pandemic restrictions, sales and construction progress at the company's projects have been slow

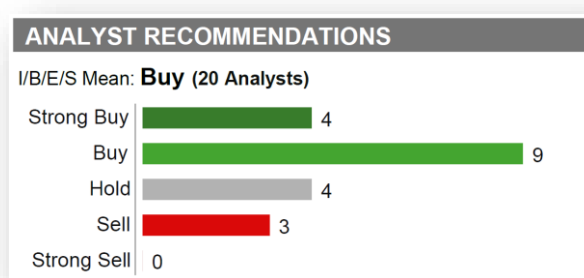
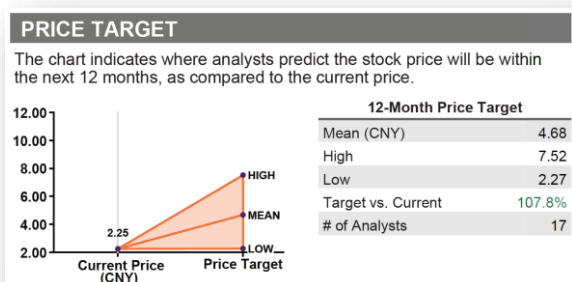
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares rose 2% in the past 5 days and are down 18% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 2.85 (Aug 2022)</li> <li>• 3.30 (Jul 2022)</li> <li>• 3.52 (50 Day MA)</li> </ul>	<ul style="list-style-type: none"> <li>• 2.28 (Aug 2022)</li> <li>• 2.00 (May 2010)</li> <li>• 1.50 (Mar 2009)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 24 Aug 2022

## HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS			
		Price (2022-08-23)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
8	1997	37.00	9.5%	-1.3%	-3.6%	115.1B	26.0	17.1	3.6%	-0.3%	3.2%	Hold	13	
6	1972	18.48	-0.32%	-4.0%	-15.2%	110.7B	15.5	13.8	5.2%	66.2%	3.2%	Buy	12	
10	83	11.96	5.1%	6.8%	2.3%	92.8B	9.0	12.0	4.7%	40.1%	-17.4%	Hold	11	
5	4	28.40	-1.0%	18.8%	14.7%	89.1B	14.6	22.6	1.4%	27.6%	--	Hold	10	
4	17	25.95	-0.77%	-11.7%	-29.9%	66.7B	57.6	9.1	7.9%	2.3%	9.7%	Buy	13	
4	2007	2.58	-17.8%	-47.3%	-68.5%	60.7B	1.9	2.0	14.9%	5.1%	4.3%	Buy	19	
2	101	13.24	-6.2%	-9.1%	-33.2%	59.5B	15.6	12.6	5.9%	33.6%	--	Buy	13	
9	3900	15.32	0.53%	17.7%	48.5%	38.1B	10.1	6.6	3.7%	3.2%	--	Buy	15	
6	123	9.63	5.8%	15.7%	35.1%	29.1B	7.3	6.1	6.7%	6.3%	6.6%	Strong Buy	16	
8	1908	18.48	-1.7%	1.5%	21.6%	27.9B	6.2	4.8	12.5%	6.6%	--	Strong Buy	3	
9	683	18.44	-5.1%	-12.0%	-20.4%	27.4B	2.6	5.5	7.3%	67.6%	--	Buy	9	
6.5	Average	18.13	-1.1%	-2.3%	-4.4%	65.2B	15.1	10.2	6.7%	23.5%	1.6%	Buy	12.2	

PEER COMPANIES			
101	Hang Lung Properties	1997	Wharf Real Estate Investment
123	Yueshi Property Co	3900	Greentown China Holdings
17	New World Development Co	4	Wharf Holdings
1908	C&D International Investment	683	Kerry Properties
1972	Swire Properties	83	Sino Land Co

Source: REFINITIV STOCKREPORTS+, extracted 24 Aug 2022

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>5,533</b>	<b>3634.22</b>	<b>19.07</b>	<b>12.27</b>	<b>1.89</b>	<b>1.58</b>	<b>5.10</b>
2007 HK	COUNTRY GARDEN HOLDINGS CO	8,021	2.58	1.85	5.10	0.26	1.09	14.44
2019 HK	DEXIN CHINA HOLDINGS CO LTD	689	2.00	5.06	5.74	0.78	1.24	5.13
600048 CH	POLY DEVELOPMENT AND HOLD-A	28,750	16.46	7.19	6.21	1.10	1.03	3.52
600649 CH	SHANGHAI SMI HOLDING CO LT-A	1,491	4.04	8.35	10.80	0.49	0.57	2.72
600466 CH	SICHUAN LANGUANG DEVELOPME-A	678	1.53	N/A	N/A	4.35	2.68	N/A
MTVW LN	MOUNTVIEW ESTATES PLC	583	12,700	18.42	16.22	1.26	1.18	3.74
DIMRI IT	YH DIMRI CONSTRUC & DEVELOP	1,476	25,900	18.34	19.46	3.15	3.13	1.86
WJG LN	WATKIN JONES PLC	633	210.00	68.75	30.17	3.41	2.99	4.04
LODHA IN	MACROTECH DEVELOPERS LTD	6,383	1,058.40	40.27	N/A	4.21	N/A	N/A
AKELD SS	AKELIUS RESIDENTIAL AB-D	6,304	1.86	N/A	N/A	1.20	0.97	5.38
LEG GR	LEG IMMOBILIEN SE	5,859	79.58	3.37	4.48	0.59	0.91	5.11

Source: Bloomberg, extracted 23 Aug 2022 closing

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