

LOGAN

龙光地产

CCBI and Haitong: Logan is Transforming from a leading Greater Bay Area Developer to a National Leader

Hang Seng Indexes announced that Logan Property Holdings (3380. HK) is now part of the constituents of the Hang Seng Composite LargeCap Index, which started a new mileage for Logan in the capital market. On February 26, CCBI and Haitong International, two famous investment banks, issued latest research reports to highly recognize Logan's future prospective. The two investment banks believed Logan is transforming from a leading Greater Bay Area developer to a national leader.

According to the official website of Hang Seng Index company, there are 112 LargeCap stocks in Hang Seng Composite Index at present. However, there are only 8 China property stocks, including China Overseas Land & Investment Ltd., China Resources Land Ltd., Evergrande Real Estate Group Ltd., Country Garden Holdings Company Ltd., Longfor Properties Co. Ltd., Sunac China Holdings Ltd., Shimao Property Holdings Ltd., and Logan Property Holdings Company Ltd.. These companies are promising industry consolidators, supported by their development scale, competitiveness, market value and turnover, financial stability and sustainable performance.

According to CCBI, Logan is a Top Pick in china property sector, given its foresights, long term strategy, proven execution ability, consistent growth in financial results and stock market value. As a new LargeCap Constituent, CCBI expect Logan to solidify its leadership and growth sustainability. CCBI expects Logan to maintain a conservative financial policy and abundant cash, improve credit rating and lower financing cost, maintain attractive dividend payout to reward investors.

CCBI made three judgments on Logan:

- 1) Transforming from a GBA based leading developer to a nationwide well-known comprehensive developer. Logan will insist its regional penetration strategy in metropolitan areas of GBA, Yangtze River Delta and Southwest China.
- 2) Its business will cover three major areas: property development, urban renewal and investment property. Investment property will be a long-term earning driver, its GFA will exceed 1 million square meters in the next three years.
- 3) Its urban renewal business has become a major earnings growth driver, with saleable value more than RMB400 billion. Urban renewal will help the Company to maintain industry-leading profitability.

Haitong International pointed out that Logan has been a market leader in GBA and Nanning, Guangxi, supported by its standardized product lines and widely recognized brands. Logan has launched large shopping centers in Shenzhen and Huizhou. Two new landmark commercial complex projects will be launched in Shenzhen. Haitong forecasted Logan to have more recurring revenue from investment properties in the long term. Haitong International said that Logan upgraded business scale and profitability consistently while creating value for shareholders, with a good balance between long-term sustainable growth and financial stability. Haitong recommended Logan as a long-term growth play, with target price of HK\$20.7.