



GLOBAL NETWORK FOR
ADVANCED MANAGEMENT



復旦大學 管理学院
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FUDAN UNIVERSITY



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Pink Capital

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**SHENZHEN WORLD UNION
PROPERTIES CONSULTANCY INC.
[002285 CH Equity]**



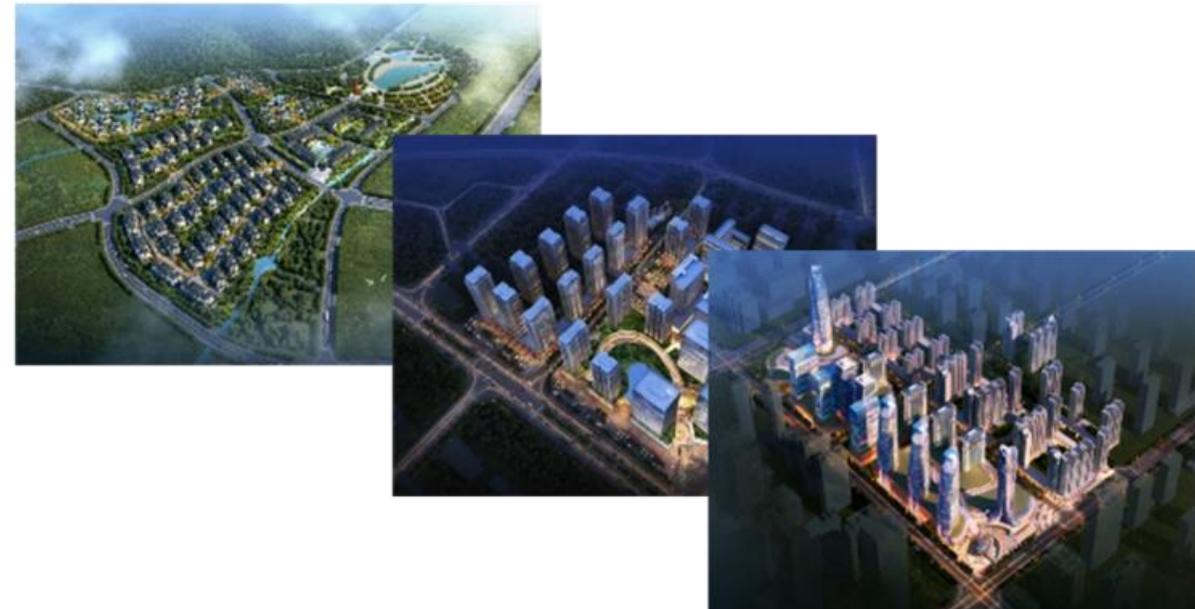
INVESTMENT HIGHLIGHTS

1. WORLD UNION focus on the real estate services for 24 years.
2. Benefited from domestic real estate market, maintaining tremendous revenue and profit.
3. Real estate industry into the second half. Long-term rental apartment is the rising star.
4. New business finance service and Internet +.
5. Estimated EPS 2017-2019 is 0.48, 0.58, and 0.70. Derive 33 times valuation to EPS. Target price RMB 15.84/sh.



WORLD UNION OVERVIEW

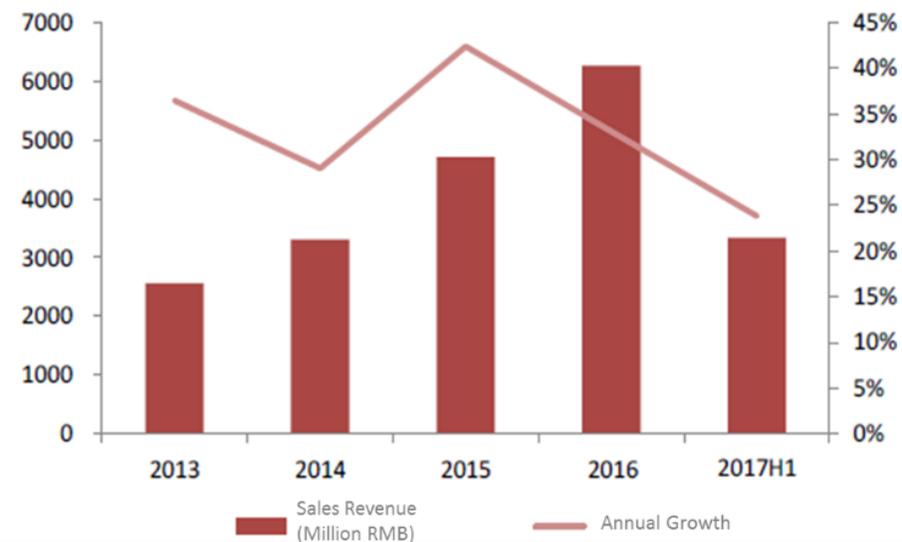
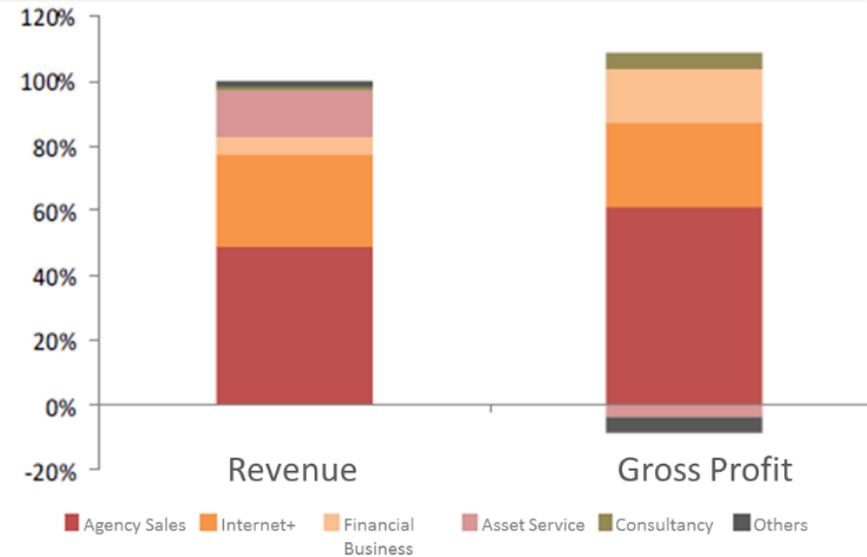
1. Founded 1993 in Shenzhen. First real estate integrated service provider to be listed in A stock.
2. 71 branches that provide services for 19 countries around the world and 172 cities in China.
3. Ranked first for top 10 in China's real estate agency for years.





REVENUE ANALYSIS

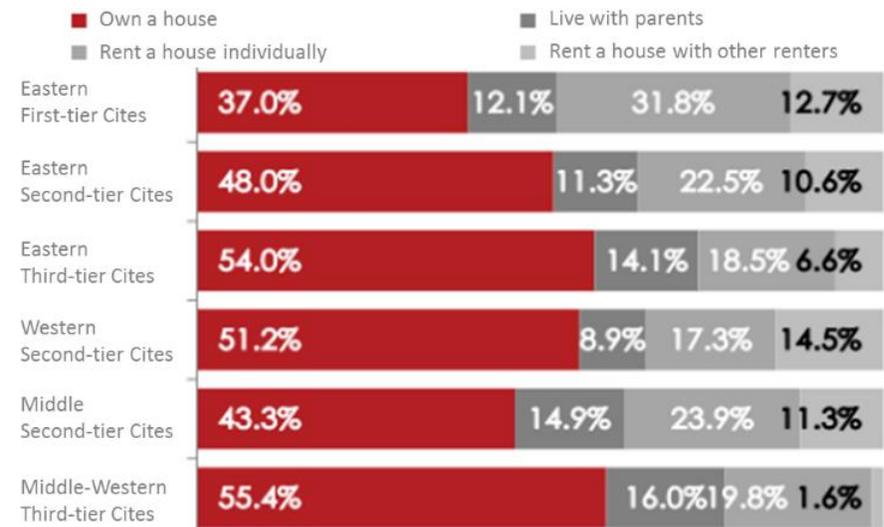
1. Revenue RMB 1.65 billion, an increase of 12.5% in 2017 H1.
2. Internet+ business RMB 920 million, an increase of 61.3%.
3. Sales revenue growing by 35% from 2012 to 2016.





REAL ESTATE INDUSTRY ANALYSIS

1. High growth and high returns before 2013.
2. Housing price remain high in top cities.
3. High demand of long-term rental apartment.





BENEFIT FROM REAL ESTATE INDUSTRY

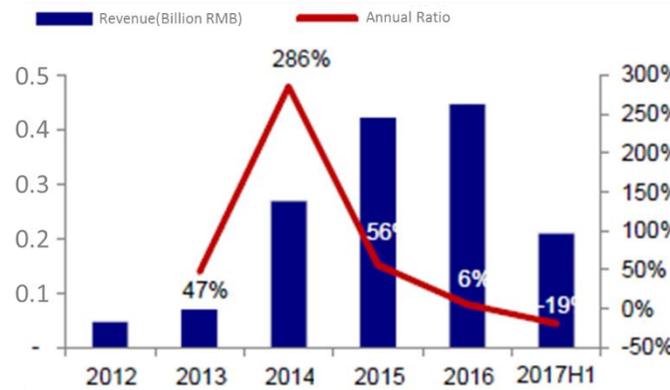
1. Promulgation of policy by government.
2. The Matthew Effect:
 - Strong access to housing resources
 - Business closed-circle
 - Strong management team
3. Strong layout to fit high demands.



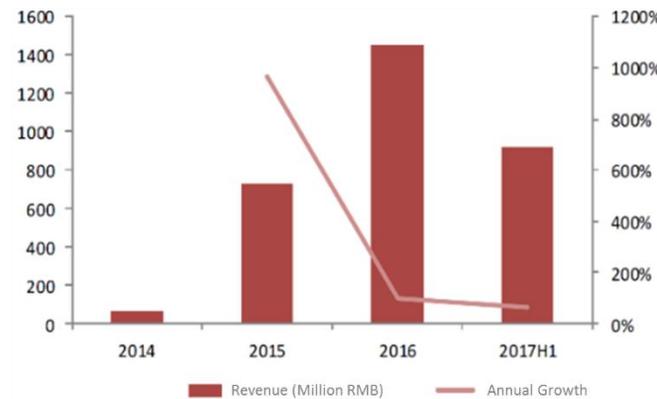


CATALYSTS - FINANCIAL SERVICE AND INTERNET +

1. Financial revenue in 2014 to 2016:
270 / 420/ 450 million. CAGR
achieved to 85.6% over the past
three years.



2. Internet + entered into 105 cities.
Balance of loans had reached to 3.3
billion, an increase of 105.2% over
the same period of last year.



STRONG FINANCIAL PERFORMANCE

1. Estimated annual during year 2017-2019 will be 26.9%, 10.0%, 9.8%.
2. Expected annual growth of Internet + during year 2017-2019 will be 53.0%, 49.6%, 46.3%.
3. Expected amount of long-term rental apartments during period of year 2017-2019 will be 50,000, 100,000 and 150,0004)

Estimated Revenue in Segment

	2015A	2016A	2017E	2018E	2019E
Real Estate Sales					
Sales Revenue (Million RMB)	2,726.7	3,508.7	4,451.6	4,896.8	5,375.3
Annual Growth	25.9%	28.7%	26.9%	10.0%	9.8%
Gross Profit Rate	36.1%	33.7%	34.0%	34.0%	34.0%
Asset Service					
Sales Revenue (Million RMB)	434.1	503.0	904.1	1,349.1	1,795.5
Annual Growth	41.6%	15.9%	79.7%	49.2%	33.1%
Gross Profit Rate	20.2%	8.0%	5.0%	8.0%	12.0%
Internet +					
Sales Revenue (Million RMB)	728.5	1,454.1	2,224.8	3,327.7	4,867.4
Annual Growth	965.3%	99.6%	53.0%	49.6%	46.3%
Gross Profit Rate	16.8%	19.3%	20.0%	20.0%	20.0%
Financial Service					
Sales Revenue (Million RMB)	421.7	446.9	448.5	489.2	585.8
Annual Growth	56.5%	6.0%	0.4%	9.1%	19.7%
Gross Profit Rate	62.6%	55.2%	55.0%	55.0%	55.0%
Others					
Sales Revenue (Million RMB)	393.2	357.2	350.0	350.0	350.0
Annual Growth	-18.8%	-9.2%	-2.0%	0.0%	0.0%
Gross Profit Rate	17.3%	-1.6%	0.0%	0.0%	0.0%
Total	4,704.1	6,269.9	8,378.9	10,412.8	12,974.1
Annual Growth Rate	42.8%	33.3%	33.6%	24.3%	24.6%
Consolidated Gross Profit Rate	32.4%	27.8%	26.9%	26.0%	25.7%



TRADING AT DISCOUNT COMPARED WITH PEERS

1. Compare to the downstream players, World Union is also trading at a discount compared with downstream peers.
2. Estimated EPS 2017-2019 is 0.48, 0.58, and 0.70. Derive 33 times valuation to EPS. Target price RMB 15.84/sh.

Company	Symbol	Price					EPS					PE			
		2017/10/30	2016A	2017E	2018E	2019E	2016A	2017E	2018E	2019E	2016A	2017E	2018E	2019E	
JIABAO	600622.SH	20.09	0.44	0.56	0.73	0.92	46	36	27	22					
GUANGB	300058.SZ	7.25	0.32	0.34	0.45	0.55	23	21	16	13					
SH GANG	300226.SZ	36.82	0.47	0.42	0.82	1.38	78	89	45	27					
GUANGL	002410.SZ	20.04	0.95	0.49	0.63	0.80	21	41	32	25					
CAISHENG	1778.HK	4.74	0.19	0.26	0.34	0.40	25	18	14	12					
	MAX						78	89	45	27					
	MIN						21	18	14	12					
	AVG						39	41	27	20					
	AD AVG						31	33	25	20					



CONCLUSION

1. History of high growth, still growth potential
2. Strong existing market position in China
3. Strong financial performance
4. Stable management team
5. Promulgation of policy by government
6. Trading at discount compared with peers
7. Reasonably valued

THANK YOU !



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