

Sector: Property

Price: 229.5p
 Forecast net debt (£m) 0
 Forecast gearing ratio (%) N/A
 Market AIM

Share price graph (p)



Company description

CREO's principal objective is to maximise capital growth from a portfolio of properties in China. The initial focus is on large scale development opportunities and high yielding sectors such as hotels and luxury residential and leisure resorts.

% Relative to All Share

%	1m	3m	12m
Actual	10.6	37.0	(71.8)
Relative	23.0	46.2	(58.5)

Analyst

Roger Leboff

China Real Estate (CREO) Market cap: £108m

INVESTMENT SUMMARY

CREO did not exercise its option to acquire 25.7% in Hong Kong listed RREEF China

Commercial Trust. The shares stand at a steep discount to the valuation of a portfolio of let commercial property in Shanghai and developments in Beijing and Qingdao. NAV does not reflect renminbi/sterling appreciation since the mid-year; enhancement from portfolio upgrades and an estimated 260p/share additional value from developments in the pipeline over the next one-to-four years.

INDUSTRY OUTLOOK

China has announced actions to stimulate a slowing economy. These include substantial interest rate cuts, reductions in bank reserve requirements and a fiscal spending programme to keep economic growth on track. Real GDP growth may be affected by the global slowdown, but forecasts suggest that it will remain around 6-8% pa for each of the next few years.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2006A	N/A	N/A	N/A	N/A	N/A	N/A
2007A	N/A	N/A	N/A	N/A	N/A	N/A
2008E	N/A	N/A	N/A	N/A	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A	N/A