

## Singapore

### ADD (no change)

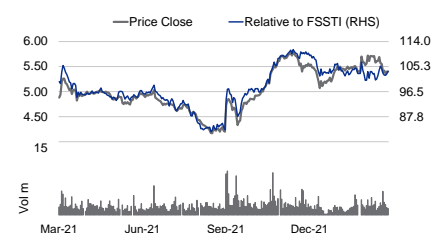
Consensus ratings\*: Buy 10 Hold 3 Sell 1

Current price:	US\$5.40
Target price:	US\$6.10
Previous target:	US\$6.30
Up/downside:	13.0%
CGS-CIMB / Consensus:	-6.1%
Reuters:	HKLD.SI
Bloomberg:	HKL SP
Market cap:	US\$12,603m
	US\$12,603m
Average daily turnover:	US\$10.07m
	US\$10.07m
Current shares o/s:	2,283m
Free float:	48.8%

\*Source: Bloomberg

### Key changes in this note

- FY22F EPS decreased by 5%.
- FY23F EPS decreased by 6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.4	-2.4	11.3
Relative (%)	-0.2	-6.4	4.3

### Major shareholders

	% held
Jardine Matheson	51.2

### Analyst(s)



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# Hongkong Land Holdings Ltd

## More involvement in China DP and IP

- HKL reported flattish underlying profit in FY21 with flattish DPS. Base rent reversions in HK IP will likely remain negative with rent relief in FY22F.
- It expects more China DP booking with increased unbooked DP sales; it will complete 1.1m sq m of China IP through FY26F to strengthen its IP revenue.
- Reiterate Add with a lower TP of US\$6.1. Its ongoing share buyback provides support to share price and potentially improves FY22F EPS by another 2%.

### Flattish FY21 underlying profit

HKL's underlying profit in FY21 was flat yoy at US\$966m, 3% below our estimate. Its higher development property (DP) EBIT was largely offset by higher financing charges and tax provisions. DPS was flat yoy at US\$0.22 (53% payout).

### To see mildly negative base rent reversion in HK portfolio

Its HK office reported negative rental reversion with average monthly rent declining by 2.5% to HK\$117/sf at end-2021. Office vacancy narrowed by 1.1% pt yoy to 5.2% at end-2021, as capable tenants filled space in prime locations in Central (overall Grade A Central office vacancy was 8% at end-2021). HK retail portfolio remained almost fully occupied and saw a 30% yoy increase in tenant sales in FY21, with negative base rent reversions. In view of the fifth wave of Covid-19 outbreak in HK with food and beverage (F&B) tenants suffering the most, we expect mildly negative base rent reversions for both of its office and retail portfolios in FY22F.

### Expect more China DP booking, with lower gross margins

Its attributable contracted sales in China increased by 24% yoy in FY21 to US\$2.6bn, with attributable unbooked sales of US\$2.9bn (end-2021) that will secure its DP revenue in FY22-23F. Its gross margin from China DP booking was down by 8% pt yoy in FY21 to 28%; management expects further downside to low 20s in the near future as its vintage land bank depletes and as plots acquired in recent years carry higher land costs.

### Active landbanking amid weak property markets

In contrast to Chinese developers' conservativeness, HKL sped up landbanking in China and acquired nine DP projects in FY21. Including West Bund project in Shanghai, it had 12 investment properties (IP) projects (planned GFA: 1.1m sq m) in China to be completed in phases in FY23-26F, which will help build a stronger recurring income base. Meanwhile, its application for scaling up plot ratios for a farmland site in Shek Wu Wai is still under HK Government's review (more in Figure 2).

### Reiterate Add with a lower TP of US\$6.1

We cut FY22F/23F EPS by 5%/6% due to the new round of retail rent relief and slower recovery of office rents in HK and Singapore. Our TP for HKL is lowered to US\$6.1, still based on a 40% discount to NAV, as we also trim its NAV/share by 3% to US\$10.2. Reiterate Add; the ongoing recentralisation trend and its share repurchase support its share price. Potential re-rating catalysts are stronger-than-expected rental reversions in HK and upsizing of share buyback programme, while prolonged border closure in HK is a key downside risk.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (US\$m)	2,094	2,384	2,392	2,695	2,282
Operating EBITDA (US\$m)	(2,652)	(372)	975	1,094	956
Net Profit (US\$m)	(2,647)	(349)	978	988	1,037
Core EPS (US\$)	0.41	0.41	0.43	0.43	0.45
Core EPS Growth	(10.5%)	0.5%	3.2%	1.1%	4.9%
FD Core P/E (x)	13.08	12.95	12.65	12.48	11.89
DPS (US\$)	0.22	0.22	0.22	0.22	0.23
Dividend Yield	4.07%	4.07%	4.07%	4.07%	4.26%
EV/EBITDA (x)	8.63	8.69	8.21	7.21	6.19
P/FCFE (x)	12.4	74.0	137.9	39.2	10.8
Net Gearing	12.8%	14.7%	16.8%	16.8%	12.6%
P/BV (x)	0.35	0.36	0.36	0.33	0.30
ROE	2.61%	2.75%	2.82%	2.74%	2.66%
% Change In Core EPS Estimates			(4.60%)	(6.05%)	
CGS-CIMB/Consensus EPS (x)			0.90	0.88	0.87

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Further share buyback to lift FY22F EPS by 2% ➤

As of 28 Feb 2022, HKL spent US\$272m (54% of budget) for repurchasing about 50.5m shares (i.e., average repurchase price US\$5.38/share) from the secondary market. Following a similar pace of buyback, we expect the remaining buyback budget of US\$500m to be used up in 3Q22 and lift FY22F EPS by another 2% (our latest EPS forecast is based on the number of shares outstanding as at 28 Feb 22). Management keeps options open as to whether the buyback budget would be maintained or upsized; it considers both share buybacks and dividend payments effective means of returning wealth to shareholders.

**Figure 1: HKL FY21 results review**

US\$ m	FY20	FY21	yoy%	FY21F	var%
<b>Total revenue</b>	<b>2,094</b>	<b>2,384</b>	<b>14</b>	<b>2,372</b>	<b>1</b>
Gross rental income	1,085	1,129	4	1,156	(2)
Property sales	1,009	1,255	24	1,216	3
<b>Cost of sales</b>	<b>(983)</b>	<b>(1,284)</b>	<b>31</b>	<b>(1,150)</b>	<b>12</b>
Investment properties op. exp.	(214)	(244)	14	(212)	15
Cost of properties sold	(769)	(1,040)	35	(938)	11
<b>Gross Profit</b>	<b>1,112</b>	<b>1,100</b>	<b>(1)</b>	<b>1,222</b>	<b>(10)</b>
Net rental income	872	885	1	944	(6)
Profit from property sales	240	216	(10)	279	(23)
Other income	31	16	(49)	32	(50)
Admin. And other expenses	(184)	(173)	(6)	(187)	(8)
non-operating gains / (losses)	0	0	n.a.	0	n.a.
<b>EBIT</b>	<b>959</b>	<b>943</b>	<b>(2)</b>	<b>1,067</b>	<b>(12)</b>
Net financing charges	(116)	(155)	34	(150)	4
<b>Operating profit</b>	<b>843</b>	<b>788</b>	<b>(7)</b>	<b>917</b>	<b>(14)</b>
Share of profit from associates	268	356	33	314	13
Rental income	75	88	18	100	(11)
Property sales	192	268	39	215	25
<b>Profit before tax</b>	<b>1,111</b>	<b>1,144</b>	<b>3</b>	<b>1,231</b>	<b>(7)</b>
Tax expenses	(150)	(179)	20	(225)	(21)
Minority interests	2	1	(73)	(13)	(105)
<b>Underlying net profit</b>	<b>963</b>	<b>966</b>	<b>0</b>	<b>994</b>	<b>(3)</b>
Revaluation and others	(3,611)	(1,315)	(64)		
<b>Reported net profit</b>	<b>(2,647)</b>	<b>(349)</b>	<b>(87)</b>		
DPS - interim (US\$)	0.06	0.06	0	0.06	0
DPS - final (US\$)	0.16	0.16	0	0.16	0
<b>DPS - total (US\$)</b>	<b>0.22</b>	<b>0.22</b>	<b>0</b>	<b>0.22</b>	<b>0</b>
<b>Net Gearing (%)</b>	<b>13%</b>	<b>15%</b>		<b>15%</b>	<b>0% pt</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: HKL's development plan submitted to Town Planning Board of HK Government, for farmland site in Shek Wu Wai, San Tin (jointly owned by SHKP)**

	Approved plan	New plan proposed in Aug 20	
		#1	#2
Site area (sf)	1,541,100	1,541,100	1,541,100
Plot ratio (x)	0.4	~5	2-3.5
No. of flats	300	3,980	9,049
Commercial properties? (Y/N)	N	N	Y
Spare land for future development? (Y/N)	N	Y	N
Land premium (HK\$ bn)*	2.1	n.a.	n.a.

\*Land premium paid for land use conversion

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: NAV breakdown (end-FY22F)**

	US\$ m	US\$	% GAV
HK Central office portfolio	13,457	5.9	46.2%
HK Central retail portfolio	2,670	1.2	9.2%
Other HK portfolio	39	0.0	0.1%
China IP	1,851	0.8	6.4%
SG IP	3,010	1.3	10.3%
Other Asean IP and hotels	611	0.3	2.1%
SG and Asean DP	1,398	0.6	4.8%
China DP	6,102	2.7	20.9%
<b>GAV - total</b>	<b>29,138</b>	<b>12.8</b>	<b>100.0%</b>
Less: net debt	(5,824)	(2.6)	
<b>NAV</b>	<b>23,314</b>	<b>10.2</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Summary of NAV and TP changes**

	Old	New	Chg
NAV (US\$)	10.50	10.20	-3%
Target discount	40%	40%	0% pt
Target price (US\$)	6.30	6.10	-3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: earnings revisions**

HK\$ m	2022F			2023F			2024F	
	Old	New	% chg	Old	New	% chg	New	
Core net profit	1,033	978	-5%	1,060	988	-7%	1,037	
EPS (HK\$)	0.45	0.43	-5%	0.46	0.43	-6%	0.45	
DPS (HK\$)	0.23	0.22	-4%	0.23	0.22	-4%	0.23	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: HK property valuation summary**

		Share price				Disc. to															
		TP				NAV/sh	Upside	P/E (x)				P/BV (x)				Net Gearing (%)					
Short Name	Ticker	(HK\$)	(HK\$)	Rating	(US\$ m)	(HK\$)	(%)	(%)	2020	2021F	2022F	2023F	2020	2021F	2022F	2020	2021F	2022F	2020	2021F	2022F
CK Asset	1113 HK	48.45	58.10	ADD	22,592	96.8	50	20	9.3	9.4	7.8	6.9	0.50	0.49	0.47	3.7	4.3	4.4	5	10	7
HLD	12 HK	31.75	40.40	ADD	19,672	67.3	53	27	10.3	10.8	10.2	9.6	0.47	0.46	0.45	5.7	5.7	5.8	25	38	37
Kerry Prop	683 HK	21.60	31.70	ADD	4,021	63.4	66	47	7.4	6.6	6.4	5.8	0.29	0.28	0.28	6.3	15.0	6.3	22	20	20
NWD	17 HK	30.30	42.50	ADD	9,759	70.8	57	40	11.6	10.9	10.4	7.3	0.36	0.34	0.36	6.7	6.8	6.8	41	40	43
SHKP	16 HK	90.35	143.00	ADD	33,506	204.7	56	58	8.9	8.8	9.1	8.3	0.46	0.44	0.43	5.5	5.5	5.5	15	15	14
Sino	83 HK	9.80	12.10	ADD	9,551	20.1	51	23	16.4	7.2	10.4	11.2	0.48	0.47	0.44	5.6	8.5	5.8	(26)	(24)	(24)
Wharf Holdings	4 HK	28.55	27.70	HOLD	11,166	50.4	43	(3)	28.2	22.5	14.9	12.7	0.55	0.54	0.53	1.4	1.5	2.0	16	24	22
HLP	101 HK	16.80	18.00	HOLD	9,673	29.5	43	7	18.0	17.3	15.8	12.6	0.55	0.53	0.51	4.5	4.6	4.6	21	24	25
HKL*	HKL SP	5.40	6.10	ADD	12,603	10.2	47	13	13.1	13.0	12.9	12.8	0.35	0.36	0.36	4.1	4.1	4.1	13	15	17
Hysan	14 HK	23.00	26.60	ADD	3,044	60.5	62	16	9.9	10.2	10.3	9.4	0.32	0.32	0.32	6.3	6.3	6.3	(7)	11	15
Swire Prop	1972 HK	19.68	21.20	HOLD	14,734	38.6	49	8	9.1	14.4	14.3	13.3	0.40	0.40	0.39	4.6	4.7	4.9	2	4	4
Wharf REIC	1997 HK	34.05	37.50	HOLD	13,231	57.7	41	10	13.8	15.9	15.4	14.1	0.51	0.50	0.49	4.3	3.8	3.8	25	23	21
Champion REIT	2778 HK	3.50	4.10	HOLD	2,659	6.3	44	17	13.4	13.8	14.0	13.8	0.41	0.42	0.42	7.1	6.5	6.4	29	28	26
Link REIT	823 HK	61.05	85.00	ADD	16,487	77.7	21	39	NA	108.7	19.7	19.0	0.79	0.80	0.80	4.7	4.8	5.3	21	30	33
Midland	1200 HK	0.92	2.52	ADD	84	NA	NA	174	5.0	2.3	2.0	1.9	0.61	0.49	0.41	0.0	11.3	14.2	(65)	(75)	(77)
Developers							54	30	13.2	10.9	9.9	8.8	0.44	0.43	0.42	5.0	6.7	5.2	14	18	17
Landlords & REITs							44	16	12.9	27.6	14.6	13.6	0.47	0.48	0.47	5.1	5.0	5.0	15	19	20
Simple average (ex. Midland)							49	23	13.0	19.3	12.3	11.2	0.46	0.45	0.45	5.0	5.9	5.1	14	18	19
																Share price data as of 4 Mar 2022; * HKL data stated in US\$					
													SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS								

Share price data as of 4 Mar 2022; \* HKL data stated in US\$

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

## ESG in a nutshell



### Refinitiv ESG Scores

C+	A+	C+	B-	B	D
ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score

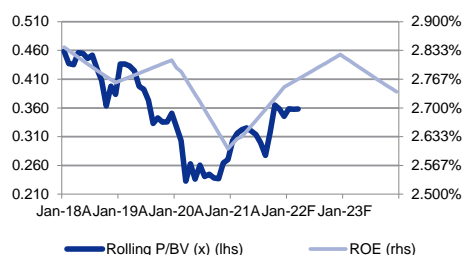
Hongkong Land (HKL) had a combined ESG score of C+, according to Refinitiv. It scored A+ in the ESG controversies and scored B-, B and D for the Environmental, Social and Governance pillars respectively. To help address global challenges, HKL has aligned its sustainability strategy with the United Nations Sustainable Development Goals (SDGs) and integrated into its businesses and operations. In 2020, it developed sustainability action plans and targets as follows: reducing 37% and 55% of energy consumption and carbon emissions respectively of its HK Central Portfolio by 2030 (compared to 2008), recycling 25% of waste generated for existing properties by 2030, developing health and wellbeing policies for employees, disclosing employee diversity metrics, etc.

<b>Keep your eye on</b>	<b>Implications</b>
We see no ESG issues for HKL that we are concerned about.	N/A
<b>ESG highlights</b>	<b>Implications</b>
In FY20, HKL succeeded in raising the first sustainability-linked loans with a face value of HK\$4.4bn. About 86% of its total floor area of commercial properties in operation achieved green building certification. It has reduced 38% of greenhouse gas emissions from HK Central portfolio comparing to 2008. It also launched HK\$100m "HOME FUND", a multi-year effort to focus on younger generations and to foster a more inclusive society.	HKL has demonstrated its commitment towards ESG issues over the past few years. We believe further progress on ESG could support a re-rating of its shares.
<b>Trends</b>	<b>Implications</b>
HKL had an ESG score of 43.22 (C+) in FY20 according to Refinitiv, vs. 41.58 (C) in FY19, with relative improvements in human rights, resource use and workforce partially offset by lower scores in emissions, community and CSR strategy.	We have not applied any premium/discount of ESG in our fundamental valuations. We believe HKL will continually improve on the different areas of ESG, thereby attracting greater interest among ESG-focused investors.

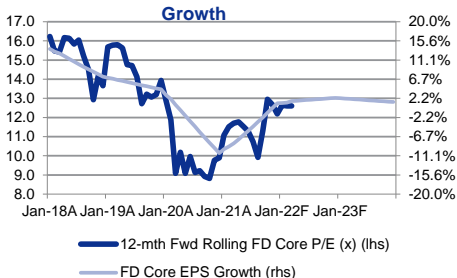
SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS

**P/BV vs ROE**



**12-mth Fwd FD Core P/E vs FD Core EPS Growth**



### Profit & Loss

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>2,094</b>	<b>2,384</b>	<b>2,392</b>	<b>2,695</b>	<b>2,282</b>
<b>Gross Profit</b>	<b>1,112</b>	<b>1,100</b>	<b>1,135</b>	<b>1,257</b>	<b>1,122</b>
<b>Operating EBITDA</b>	<b>(2,652)</b>	<b>(372)</b>	<b>975</b>	<b>1,094</b>	<b>956</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(2,652)</b>	<b>(372)</b>	<b>975</b>	<b>1,094</b>	<b>956</b>
Financial Income/(Expense)	(116)	(155)	(163)	(184)	(196)
Pretax Income/(Loss) from Assoc.	268	356	362	335	458
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>1,111</b>	<b>1,144</b>	<b>1,173</b>	<b>1,245</b>	<b>1,218</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>(2,500)</b>	<b>(171)</b>	<b>1,173</b>	<b>1,245</b>	<b>1,218</b>
<b>Taxation</b>	<b>(150)</b>	<b>(179)</b>	<b>(167)</b>	<b>(200)</b>	<b>(156)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(2,650)</b>	<b>(350)</b>	<b>1,006</b>	<b>1,045</b>	<b>1,062</b>
Minority Interests	2	1	(29)	(57)	(25)
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>(2,647)</b>	<b>(349)</b>	<b>978</b>	<b>988</b>	<b>1,037</b>
Recurring Net Profit	963	966	978	988	1,037
<b>Fully Diluted Recurring Net Profit</b>	<b>963</b>	<b>966</b>	<b>978</b>	<b>988</b>	<b>1,037</b>

### Cash Flow

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>(2,652)</b>	<b>(372)</b>	<b>975</b>	<b>1,094</b>	<b>956</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	346	(306)	(787)	(653)	1,155
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	3,733	1,536	267	280	293
Net Interest (Paid)/Received	(178)	(173)	(163)	(184)	(196)
Tax Paid	(268)	(157)	(170)	(190)	(169)
<b>Cashflow From Operations</b>	<b>981</b>	<b>529</b>	<b>121</b>	<b>347</b>	<b>2,039</b>
Capex	(1,416)	(432)	(332)	(332)	(332)
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	0	0	0	0	0
<b>Cash Flow From Investing</b>	<b>(1,416)</b>	<b>(432)</b>	<b>(332)</b>	<b>(332)</b>	<b>(332)</b>
Debt Raised/(repaid)	1,454	73	300	300	(565)
Proceeds From Issue Of Shares	0	(192)	0	0	0
Shares Repurchased					
Dividends Paid	(511)	(510)	(510)	(502)	(502)
Preferred Dividends					
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>943</b>	<b>(629)</b>	<b>(210)</b>	<b>(202)</b>	<b>(1,068)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,997	1,480	1,060	872	1,512
Properties Under Development	1,949	2,971	3,848	5,263	4,918
Total Debtors	1,082	1,029	1,081	1,135	1,192
Inventories					
Total Other Current Assets	14	28	28	28	28
<b>Total Current Assets</b>	<b>5,042</b>	<b>5,508</b>	<b>6,017</b>	<b>7,299</b>	<b>7,649</b>
Fixed Assets	0	0	0	0	0
<b>Total Investments</b>	<b>39,005</b>	<b>38,116</b>	<b>38,046</b>	<b>40,124</b>	<b>42,207</b>
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	216	239	239	239	239
<b>Total Non-current Assets</b>	<b>39,220</b>	<b>38,355</b>	<b>38,285</b>	<b>40,363</b>	<b>42,447</b>
Short-term Debt	690	865	865	865	865
Current Portion of Long-Term Debt					
Total Creditors	1,572	2,195	1,742	1,836	1,924
Other Current Liabilities	153	203	167	200	156
<b>Total Current Liabilities</b>	<b>2,415</b>	<b>3,263</b>	<b>2,775</b>	<b>2,902</b>	<b>2,946</b>
Total Long-term Debt	5,875	5,718	6,018	6,318	5,753
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	38	36	36	36	36
<b>Total Non-current Liabilities</b>	<b>5,913</b>	<b>5,754</b>	<b>6,054</b>	<b>6,354</b>	<b>5,788</b>
Total Provisions	196	228	750	750	750
<b>Total Liabilities</b>	<b>8,523</b>	<b>9,244</b>	<b>9,578</b>	<b>10,006</b>	<b>9,484</b>
<b>Shareholders' Equity</b>	<b>35,709</b>	<b>34,584</b>	<b>34,661</b>	<b>37,536</b>	<b>40,467</b>
Minority Interests	29	34	63	120	145
<b>Total Equity</b>	<b>35,739</b>	<b>34,618</b>	<b>34,724</b>	<b>37,656</b>	<b>40,612</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(9.7%)	13.9%	0.3%	12.7%	(15.3%)
Operating EBITDA Growth	(18.1%)	(1.6%)	3.3%	12.2%	(12.6%)
Operating EBITDA Margin	45.8%	39.6%	40.8%	40.6%	41.9%
Net Cash Per Share (US\$)	(1.96)	(2.22)	(2.55)	(2.76)	(2.24)
BVPS (US\$)	15.30	15.05	15.18	16.44	17.72
Gross Interest Cover	4.92	4.25	4.23	4.69	4.10
Effective Tax Rate	0.0%	0.0%	14.2%	16.1%	12.8%
Net Dividend Payout Ratio	53.3%	52.9%	51.6%	50.8%	48.5%
Accounts Receivables Days	194.3	161.6	161.0	150.0	186.6
Inventory Days	-	-	-	-	-
Accounts Payables Days	564.8	535.4	571.7	454.1	593.2
ROIC (%)	47.2%	51.3%	43.5%	27.8%	17.2%
ROCE (%)	2.41%	2.41%	2.49%	2.60%	2.12%
Return On Average Assets	2.36%	2.49%	2.59%	2.61%	2.51%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Gross rental income (US\$ m)	1,085.1	1,129.0	1,106.3	1,108.5	1,116.4
Property sales booked (US\$ m)	1,009.1	1,255.3	1,285.2	1,586.9	1,165.8
Rental income GPM (%)	80.3%	78.4%	78.4%	78.4%	78.4%
Property sales GPM (%)	23.8%	17.2%	20.8%	24.5%	21.2%
Underlying payout ratio on rental profit (%)	70.6%	69.3%	69.4%	69.3%	71.9%
Net gearing (%)	12.8%	14.8%	16.8%	16.8%	12.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

## Spitzer Chart for stock being researched ( 2 year data )



## Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLO** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

### Recommendation Framework

#### Stock Ratings

Definition:

Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

#### Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

