

## Hong Kong

### ADD (no change)

Consensus ratings\*: Buy 13 Hold 3 Sell 2

Current price:	HK\$31.50
Target price:	HK\$42.50
Previous target:	HK\$46.40
Up/downside:	34.9%
CGS-CIMB / Consensus:	11.6%
Reuters:	0017.HK
Bloomberg:	17 HK
Market cap:	US\$10,153m
	HK\$79,274m
Average daily turnover:	US\$12.82m
	HK\$99.94m
Current shares o/s:	2,517m
Free float:	55.5%
*Source: Bloomberg	

#### Key changes in this note

- FY6/22F EPS decreased by 2%.
- FY6/23F EPS decreased by 1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.9	-3.4	-23.2
Relative (%)	4.2	4.6	1.1

#### Major shareholders

	% held
Chow Tai Fook Enterprises Limited	44.5

#### Analyst(s)



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# New World Development

## Hastening land bank expansion

- NWD's underlying profit rose 5% yoy to HK\$3.9bn in 1HFY6/22, driven by high operating margin of DP sales booking in China.
- The Greater Bay Area accounted for 87% of its presales in China in 1H; it also acquired three plots there to replenish its land bank.
- Its land bank expansion in HK and China comes with a higher net gearing.
- Reiterate Add with a lower TP of HK\$42.5. It trades at an attractive 6.5% FY22F dividend yield.

### 1HFY22 underlying profit up 5% yoy

NWD reported a 5% yoy increase in underlying profit (before perpetual capital securities (PCS) distribution) to HK\$3.9bn in 1HFY22 (53% of our FY22F estimate), primarily due to lucrative operating margin (~70%) from recognition of China development property (DP) sales. Interim DPS was flat yoy at HK\$0.56.

### Cost savings drove HKIP operating profit growth

NWD recorded HK\$3.9bn contracted sales in 1HFY6/22, vs. HK\$10bn sales target p.a. for FY6/22-23F, driven by presales of 888 Lai Chi Kok Road office units (67% of GFA pre-sold) and sales of inventories of Mount Pavilia and Atrium House. It expects to recognise unbooked sales of HK\$6bn in 2HFY6/22F and HK\$24.8bn in FY23F. Meanwhile, its HK investment property (IP) segment profit rose by 33% yoy primarily driven by cost savings. Office at 11 Skies will be partially open in Jul 22.

### GBA drives DP sales booking in China

China DP contracted sales were Rmb9.3bn in 1HFY6/22, driven by presales of projects in the Greater Bay Area (GBA) in China which accounted for 87% of sales in the period. With the launch of Hangzhou Wangjiang New Town project in 2QCY22, we expect NWD to meet its FY22F sales target of Rmb20bn. Its rental income from China rose 17% to HK\$1bn in 1HFY6/22; occupancy at K11 malls in Tier-1 cities in China was 92%.

### Expansion of land bank comes with higher net gearing

NWD has been active in landbanking in China and HK since Jul 21, having acquired three plots in the GBA in China and a 50% stake in a residential plot in Kai Tak, HK. It also received approval from the Planning Department on its development plan for a farmland located in Sai Kung, on which it expects to build 966 flats. All these replenish NWD's land bank after pre-selling projects in Qianhai as well as Pavilia Farm in HK. The land bank expansion however comes with a higher net gearing (41.3% at end-2021); management expects the gearing to stay at the current level for some time.

### Reiterate Add with a lower TP of HK\$42.5

We tweak FY22F/23F EPS by -2%/-1% to factor in slower IP growth due to slower HKIP recovery. However, we cut NWD's NAV by 9%, as we factor in its higher net debt and lower valuation of its IPs due to slower recovery in HK's rental market. Our TP for NWD is cut to HK\$42.5, still based on a 40% discount to NAV. Reiterate Add. Key downside risks are a prolonged Covid-19 outbreak in HK, leading to even slower rental growth. Stronger-than-expected DP sales in HK and China are re-rating catalysts.

#### Financial Summary

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Net Revenues (HK\$m)	59,008	68,233	76,983	78,749	85,745
Operating EBITDA (HK\$m)	12,137	10,249	12,610	12,859	13,656
Net Profit (HK\$m)	(557)	36	5,478	8,829	7,527
Core EPS (HK\$)	2.58	2.74	2.91	4.17	3.62
Core EPS Growth	(25.3%)	6.3%	6.1%	43.4%	(13.2%)
FD Core P/E (x)	12.20	11.49	10.86	7.55	8.70
DPS (HK\$)	2.04	2.06	2.06	2.10	2.10
Dividend Yield	6.48%	6.54%	6.54%	6.67%	6.67%
EV/EBITDA (x)	17.05	20.87	17.14	16.26	14.71
P/FCFE (x)	9.96	NA	NA	12.18	6.03
Net Gearing	44.3%	37.5%	42.3%	43.1%	40.8%
P/BV (x)	0.38	0.36	0.38	0.37	0.36
ROE	3.02%	3.20%	3.38%	4.93%	4.21%
% Change In Core EPS Estimates			(1.63%)	(1.43%)	(0.14%)
CGS-CIMB/Consensus EPS (x)			0.73	0.92	0.78

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: NWD 1HFY6/22 results review**

HK\$ m	1HFY21	1HFY22	yoy %
Rental income	2,315	2,518	8.8
Property sales	12,795	9,347	-26.9
Construction (NWS)	10,845	12,343	13.8
Infrastructure / Roads (NWS)	1,646	1,482	-10.0
Hotel and restaurant operations	430	495	15.1
Insurance (NWS)	4,584	6,821	48.8
Strategic businesses and others	2,964	2,568	-13.3
<b>Total Revenue</b>	<b>35,577</b>	<b>35,573</b>	<b>0.0</b>
Rental income	1,270	1,563	23.0
Property sales	4,004	5,156	28.8
Construction (NWS)	335	303	-9.6
Infrastructure / Roads (NWS)	943	698	-25.9
Hotel and restaurant operations	(420)	(237)	-43.5
Aviation (NWS)	(12)	(1)	-95.0
Insurance (NWS)	434	(354)	-181.5
Strategic businesses and others	(990)	(659)	-33.4
<b>Total segment results</b>	<b>5,564</b>	<b>6,469</b>	<b>16.3</b>
Other (Charge)/Income	665	(324)	-148.7
Unallocated corporate expenses	(568)	(554)	-2.5
<b>Operating profit</b>	<b>5,660</b>	<b>5,591</b>	<b>-1.2</b>
Net financing cost	(771)	(615)	-20.3
Share of profit of associates	753	1,268	68.5
<b>Profit before tax</b>	<b>5,642</b>	<b>6,244</b>	<b>10.7</b>
Income tax provision	(966)	(3,239)	235.4
<b>Profit after tax</b>	<b>4,676</b>	<b>3,006</b>	<b>-35.7</b>
Minority interests	(435)	(805)	85.1
Perpetual capital securities distribution	(1,071)	(1,233)	15.1
Others	548	2,931	434.8
<b>Core net profit</b>	<b>3,719</b>	<b>3,899</b>	<b>4.9</b>
<b>Core EPS (HK\$)</b>	<b>1.46</b>	<b>1.54</b>	<b>5.7</b>
DPS (HK\$)	0.56	0.56	0.0
Net gearing (%)	40.4	41.3	0.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Earnings revisions**

HK\$ m	2022F			2023F			2024F		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Core net profit	7,530	7,338	-3%	10,777	10,503	-3%	9,230	9,113	-1%
EPS (HK\$)	2.96	2.91	-2%	4.23	4.17	-1%	3.63	3.62	0%
DPS (HK\$)	2.08	2.06	-1%	2.16	2.10	-3%	2.18	2.10	-4%

SOURCE: CGS-CIMB RESEARCH ESTIMATES

**Figure 3: NAV breakdown**

	HK\$ m	HK\$/share	% of GAV
HK investment properties & hotels	107,356	42.7	32.5
HK development properties & farmland	35,602	14.1	10.8
China development properties	109,609	43.6	33.2
China investment properties	38,702	15.4	11.7
China & SE Asia hotels	4,276	1.7	1.3
Listed subsidiaries and other investments	34,963	13.9	10.6
<b>GAV</b>	<b>330,507</b>	<b>131.3</b>	<b>100.0</b>
Less: consolidated net debt	(108,195)	(43.0)	
Less: perpetual capital securities (PCS)	(44,044)	(17.5)	
<b>Net asset value (NAV)</b>	<b>178,268</b>	<b>70.8</b>	

SOURCE: CGS-CIMB RESEARCH ESTIMATES

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

	Old	New	Chg
NAV/share (HK\$)	77.4	70.8	-9%
Target discount	40%	40%	0% pt
Target price (HK\$)	46.4	42.5	-8%


SOURCE: CGS-CIMB RESEARCH ESTIMATES

**Figure 5: HK property valuation summary**

**Figure 6: HK property valuation summary**

		Share price	TP	Disc. to								P/E (x)				P/BV (x)				Net Gearing (%)			
Short Name	Ticker	(HK\$)	(HK\$)	Rating	Mkt cap (US\$ m)	NAV/sh (HK\$)	NAV (%)	Upside (%)	2020	2021F	2022F	2023F	2020	2021F	2022F	2020	2021F	2022F	2020	2021F	2022F		
CK Asset	1113 HK	49.55	58.10	ADD	23,122	96.8	49	17	9.5	9.6	8.0	7.1	0.52	0.50	0.48	3.6	4.2	4.3	5	10	7		
HLD	12 HK	32.40	40.40	ADD	20,090	67.3	52	25	10.5	11.0	10.5	9.8	0.48	0.47	0.46	5.6	5.6	5.6	25	38	37		
Kerry Prop	683 HK	22.10	31.70	ADD	4,117	63.4	65	43	7.6	6.8	6.5	5.9	0.29	0.29	0.29	6.1	14.7	6.1	22	20	20		
NWD	17 HK	31.50	42.50	ADD	10,153	70.8	56	35	12.0	11.4	10.8	7.5	0.38	0.36	0.38	6.5	6.5	6.5	41	40	43		
SHKP	16 HK	92.65	143.00	ADD	34,385	204.7	55	54	9.1	9.0	9.3	8.5	0.47	0.45	0.44	5.3	5.3	5.3	15	15	14		
Sino	83 HK	9.90	12.10	ADD	9,655	20.1	51	22	16.5	7.3	10.5	11.4	0.48	0.47	0.45	5.6	8.4	5.8	(26)	(24)	(24)		
Wharf Holdings	4 HK	27.70	27.70	HOLD	10,842	50.4	45	0	27.4	21.8	14.5	12.3	0.53	0.52	0.51	1.4	1.6	2.1	16	24	22		
HLP	101 HK	16.74	18.00	HOLD	9,646	29.5	43	8	17.9	17.3	15.8	12.5	0.54	0.53	0.51	4.5	4.7	4.7	21	24	25		
HKL*	HKL SP	5.55	6.30	ADD	12,953	10.5	47	14	13.4	13.0	12.5	12.2	0.36	0.36	0.34	4.0	4.0	4.1	13	15	14		
Hysan	14 HK	23.10	26.60	ADD	3,060	60.5	62	15	10.0	10.3	10.3	9.4	0.33	0.32	0.32	6.2	6.2	6.2	(7)	11	15		
Swire Prop	1972 HK	19.96	21.20	HOLD	14,955	38.6	48	6	9.2	14.6	14.5	13.5	0.40	0.40	0.40	4.6	4.7	4.8	2	4	4		
Wharf REIC	1997 HK	35.10	40.20	HOLD	13,649	61.9	43	15	14.3	14.4	13.2	12.6	0.52	0.51	0.51	4.2	4.1	4.6	25	24	23		
Champion REIT	2778 HK	3.55	4.10	HOLD	2,699	6.3	44	15	13.6	14.0	14.2	14.0	0.41	0.43	0.43	7.0	6.4	6.3	29	28	26		
Link REIT	823 HK	63.50	85.00	ADD	17,162	77.7	18	34	NA	113.1	20.5	19.8	0.82	0.83	0.83	4.5	4.6	5.1	21	30	33		
Midland	1200 HK	0.97	2.52	ADD	89	NA	NA	160	5.3	2.4	2.1	2.0	0.64	0.51	0.43	0.0	10.7	13.5	(65)	(75)	(77)		
Developers							53	28	13.2	11.0	10.0	8.9	0.45	0.44	0.43	4.9	6.6	5.1	14	18	17		
Landlords & REITs							44	15	13.1	28.1	14.4	13.4	0.48	0.48	0.48	5.0	4.9	5.1	15	19	20		
Simple average (ex. Midland)							48	22	13.2	19.5	12.2	11.2	0.47	0.46	0.45	4.9	5.8	5.1	14	19	19		
																Share price data as of 25 Feb 2022; * HKL data stated in US\$							
													SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS										

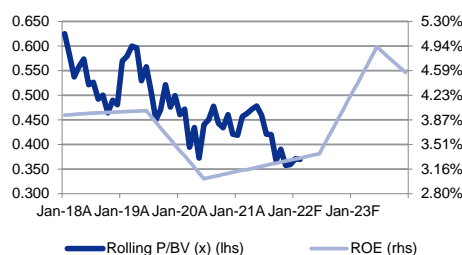
Share price data as of 25 Feb 2022; \* HKL data stated in US\$  
SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

<div> <div>ESG in a nutshell</div> <div>  <div> <div>Refinitiv ESG Scores</div> <div> <div>B+</div> <div>A+</div> <div>B+</div> <div>A</div> <div>A-</div> <div>B</div> </div> </div> </div> </div>	
<p>We think NWD has shown its commitment towards ESG in its “Sustainability Vision 2030”. It has set clear targets to reduce its energy and carbon emissions intensity by 50% by 2030 (baseline: 2015), promote body and mind health within the company, and create shared value for communities. NWD scored a MSCI ESG rating of BBB in 2021. For the long term, other than the “Sustainability Vision 2030”, NWD is exploring solutions to echo HKSAR’s commitment to achieve net zero carbon by 2050, and Mainland China’s commitment to achieve carbon neutrality by 2060.</p>	
<b>Keep your eye on</b> <p>In Jul 2021, it was found that the concrete strength in sections of the wall base beneath Pavilia Farm III (comprising Towers 1 and 8) did not meet the requirements of the approved design. NWD decided to demolish and rebuild the structures concerned, pushing back the completion of Pavilia III by around nine months. NWD offered compensation to the buyers who terminated their sales and purchase agreements due to the incident.</p>	<b>Implications</b> <p>We believe that NWD has handled the safety issue at Pavilia Farm III in a prompt and responsible manner, and that the impact of the incident will be more on its reputation in the near term.</p>
<b>ESG highlights</b> <p>NWD was the first developer to announce farmland donation and has to date donated more than 500,000 sf of farmland to social enterprises and NGOs. In FY6/2, it achieved 33%/20%/30% reduction in its carbon emissions/energy/water intensity (baseline: FY6/15). Besides, NWD has raised more than HK\$19bn of sustainability-linked loans, green bonds and green loans since 2018.</p>	<b>Implications</b> <p>NWD has demonstrated its commitment towards ESG issues over the past few years. We believe that further progress on ESG could support a re-rating of its shares.</p>
<b>Trends</b> <p>NWD received an ESG score of 75.89 in 2020 from Refinitiv, with relative improvements in CSR strategy, management, and workforce, partially offset by lower score in community, resource use, and emissions. It scored B+ in “Workforce” section in 2020, an improvement from B in 2019 mainly due to a more diversified board and executive members in terms of gender and skills.</p>	<b>Implications</b> <p>We have not applied any premium/discount of ESG in our fundamental valuations. We believe that NWD will continually improve on the different areas of ESG, thereby attracting greater interest among ESG-focused investors.</p>

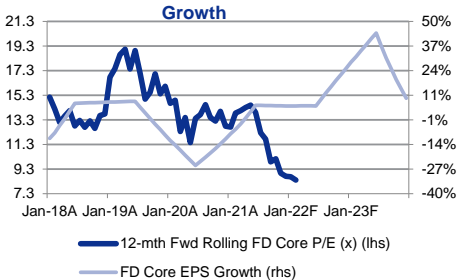
SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS

**P/BV vs ROE**



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



### Profit & Loss

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
<b>Total Net Revenues</b>	<b>59,008</b>	<b>68,233</b>	<b>76,983</b>	<b>78,749</b>	<b>85,745</b>
<b>Gross Profit</b>	<b>19,931</b>	<b>19,151</b>	<b>23,563</b>	<b>24,030</b>	<b>25,518</b>
<b>Operating EBITDA</b>	<b>12,137</b>	<b>10,249</b>	<b>12,610</b>	<b>12,859</b>	<b>13,656</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>12,137</b>	<b>10,249</b>	<b>12,610</b>	<b>12,859</b>	<b>13,656</b>
Financial Income/(Expense)	(2,888)	(1,276)	(1,247)	(1,497)	(1,493)
Pretax Income/(Loss) from Assoc.	770	1,783	2,324	7,572	5,865
Non-Operating Income/(Expense)	(878)	(1,526)	766	(1,275)	(1,313)
<b>Profit Before Tax (pre-EI)</b>	<b>9,141</b>	<b>9,230</b>	<b>14,453</b>	<b>17,660</b>	<b>16,714</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>9,141</b>	<b>9,230</b>	<b>14,453</b>	<b>17,660</b>	<b>16,714</b>
<b>Taxation</b>	<b>(7,528)</b>	<b>(5,662)</b>	<b>(5,077)</b>	<b>(5,059)</b>	<b>(5,441)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>1,613</b>	<b>3,568</b>	<b>9,376</b>	<b>12,601</b>	<b>11,274</b>
Minority Interests	(482)	(1,250)	(2,038)	(2,098)	(2,161)
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(1,688)	(2,283)	(1,860)	(1,674)	(1,586)
<b>Net Profit</b>	<b>(557)</b>	<b>36</b>	<b>5,478</b>	<b>8,829</b>	<b>7,527</b>
Recurring Net Profit	6,589	6,978	7,338	10,503	9,113
<b>Fully Diluted Recurring Net Profit</b>	<b>6,589</b>	<b>6,978</b>	<b>7,338</b>	<b>10,503</b>	<b>9,113</b>

### Cash Flow

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
<b>EBITDA</b>	<b>12,137</b>	<b>10,249</b>	<b>12,610</b>	<b>12,859</b>	<b>13,656</b>
Cash Flow from Inv't. & Assoc.					
Change In Working Capital	(15,037)	(9,129)	6,804	1,522	3,517
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	1,408	1,163	1,902	(331)	(305)
Net Interest (Paid)/Received	(5,415)	(1,276)	(3,012)	(3,307)	(3,370)
Tax Paid	(8,799)	(3,963)	(3,554)	(3,541)	(3,809)
<b>Cashflow From Operations</b>	<b>(15,704)</b>	<b>(2,956)</b>	<b>14,749</b>	<b>7,203</b>	<b>9,689</b>
Capex	(16,796)	(10,458)	(30,000)	(15,000)	(10,000)
Disposals Of FAs/subsidiaries	9,975	10,286	6,330	3,956	3,956
Disposals of Investment Properties					
Acq. Of Subsidiaries/Investments	(15,831)	0	0	0	0
Other Investing Cashflow	2,793	2,940	3,033	3,129	3,229
<b>Cash Flow From Investing</b>	<b>(19,859)</b>	<b>2,768</b>	<b>(20,637)</b>	<b>(7,914)</b>	<b>(2,815)</b>
Debt Raised/(repaid)	43,638	(3,013)	1,812	7,219	6,273
Proceeds From Issue Of Shares	(264)	0	0	0	0
Shares Repurchased					
Dividends Paid	(5,217)	(943)	(964)	(946)	(987)
Preferred Dividends					
Other Financing Cashflow	(1,425)	(1,532)	(1,332)	(1,339)	(1,401)
<b>Cash Flow From Financing</b>	<b>36,732</b>	<b>(5,489)</b>	<b>(483)</b>	<b>4,934</b>	<b>3,885</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(HK\$m)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Cash And Equivalents	67,436	61,955	55,584	59,806	70,565
Properties Under Development	66,382	89,308	89,308	89,308	89,308
Total Debtors	35,189	34,683	31,865	33,912	33,487
Inventories	685	598	662	662	663
Total Other Current Assets	12,581	21,520	21,520	21,520	21,520
<b>Total Current Assets</b>	<b>182,272</b>	<b>208,065</b>	<b>198,939</b>	<b>205,208</b>	<b>215,543</b>
Fixed Assets	0	0	0	0	0
<b>Total Investments</b>	<b>286,494</b>	<b>301,822</b>	<b>302,366</b>	<b>309,246</b>	<b>314,298</b>
Intangible Assets	8,428	8,246	8,246	8,246	8,246
Total Other Non-Current Assets	123,002	108,945	109,637	110,350	111,085
<b>Total Non-current Assets</b>	<b>417,924</b>	<b>419,013</b>	<b>420,250</b>	<b>427,842</b>	<b>433,629</b>
Short-term Debt	56,601	38,188	52,781	43,727	37,691
Current Portion of Long-Term Debt					
Total Creditors	39,701	39,498	38,651	39,283	39,144
Other Current Liabilities	56,307	71,875	77,090	80,356	83,926
<b>Total Current Liabilities</b>	<b>152,609</b>	<b>149,561</b>	<b>168,522</b>	<b>163,366</b>	<b>160,761</b>
Total Long-term Debt	134,788	137,829	125,048	141,321	153,630
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	33,054	35,495	36,560	37,657	38,786
<b>Total Non-current Liabilities</b>	<b>167,841</b>	<b>173,324</b>	<b>161,608</b>	<b>178,977</b>	<b>192,416</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>320,451</b>	<b>322,885</b>	<b>330,129</b>	<b>342,344</b>	<b>353,177</b>
<b>Shareholders' Equity</b>	<b>213,023</b>	<b>223,329</b>	<b>211,052</b>	<b>215,005</b>	<b>218,133</b>
Minority Interests	66,722	80,864	78,007	75,701	77,862
<b>Total Equity</b>	<b>279,745</b>	<b>304,192</b>	<b>289,059</b>	<b>290,707</b>	<b>295,995</b>

### Key Ratios

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Revenue Growth	(23.0%)	15.6%	12.8%	2.3%	8.9%
Operating EBITDA Growth	(22.3%)	(15.6%)	23.0%	2.0%	6.2%
Operating EBITDA Margin	20.6%	15.0%	16.4%	16.3%	15.9%
Net Cash Per Share (HK\$)	(48.63)	(44.86)	(48.57)	(49.77)	(47.98)
BVPS (HK\$)	83.57	87.84	83.86	85.43	86.68
Gross Interest Cover	1.67	3.42	2.68	2.66	2.73
Effective Tax Rate	62.8%	37.1%	35.1%	28.6%	32.6%
Net Dividend Payout Ratio	123%	146%	95%	60%	70%
Accounts Receivables Days	188.9	186.9	157.8	152.4	143.8
Inventory Days	6.98	4.77	4.30	4.41	4.02
Accounts Payables Days	358.0	294.5	267.0	259.9	238.3
ROIC (%)	11.5%	5.7%	6.9%	7.4%	7.9%
ROCE (%)	3.12%	2.52%	3.02%	3.05%	3.18%
Return On Average Assets	1.29%	0.96%	1.37%	1.94%	1.71%

### Key Drivers

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Property development - HK (HK\$ m)	4,541.9	7,761.6	8,491.9	5,793.5	7,459.0
Property development - China (HK\$ m)	14,665.6	14,820.0	18,699.3	20,416.8	23,198.6
Property investment - HK (HK\$ m)	2,590.5	2,839.1	3,198.3	3,498.9	3,697.7
Property investment - China (HK\$ m)	1,759.0	1,861.6	2,224.8	2,781.8	3,045.8

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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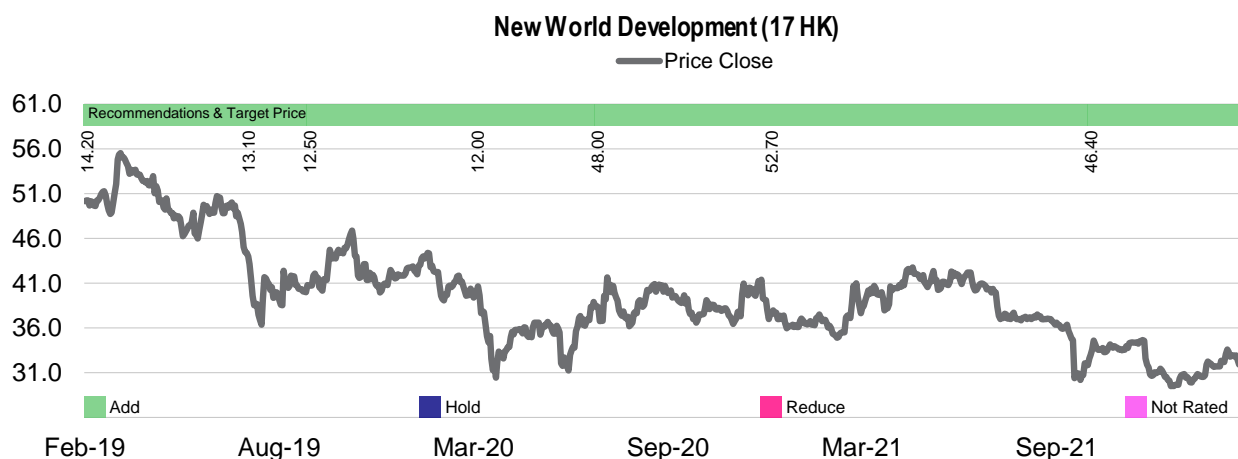
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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, **CENTEL** – 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, **TIDLOR** – 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:

- Over weight** An Over weight 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.
- Under weight** An Under weight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

Definition:

- Over weight** An Over weight 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.
- Under weight** An Under weight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

