

## Hong Kong

**HOLD** (no change)

Consensus ratings\*: Buy 3 Hold 5 Sell 4

Current price:	HK\$26.55
Target price:	HK\$27.30
Previous target:	HK\$27.70
Up/downside:	2.8%
CGS-CIMB / Consensus:	2.4%
Reuters:	0004.HK
Bloomberg:	4 HK
Market cap:	US\$10,374m HK\$81,138m
Average daily turnover:	US\$2.81m HK\$21.90m
Current shares o/s:	3,056m
Free float:	40.1%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS decreased by 8%.
- FY23F EPS decreased by 9%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-4.2	1.7	40
Relative (%)	12.7	16.7	68.3

**Major shareholders**

	% held
Wheelock & Co	59.9

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# Wharf Holdings Ltd

## Investing conservatively amid economic uncertainty

- WHL reported a 7% yoy increase in FY21 underlying profit, driven by solid growth in China IP rental growth and higher EBIT from logistics business.
- It sees increasing competition in China IP portfolio from malls nearby, and remains cautious on landbanking for China DP projects.
- Reiterate Hold with a lower TP of HK\$27.3 (45% discount to NAV).

### FY21 underlying profit driven by HK DP and logistics business

WHL's underlying profit increased by 7% in FY21 to HK\$3.6bn (6% below our estimate), driven by solid growth in China investment property (IP) rental income and higher EBIT from logistics business, which offset HK\$3.9bn impairment provisions made on China development properties (DP). FY21 DPS was flat yoy at HK\$0.40.

### HK DP new launches should be delayed to 2H22F

In FY21, it booked six houses at 77/79 Peak Road at the consolidated level and achieved gross contracted sales of HK\$2bn from Mount Nicholson (10 units unsold). Unbooked sales at end-2021 stood at HK\$0.6bn. In view of the fifth wave of Covid-19 outbreak in HK, we expect its new launches of HK projects (e.g. Kai Tak) to be delayed to 2H22F.

### Slower China DP sales on the back of land bank depletion

WHL's China DP contracted sales declined by 20% yoy to Rmb13.9bn in FY21. It sets FY22F DP sales target at Rmb9bn due to price caps and depletion of DP land bank which amounted to 2.1m sq m as of end-2021. Management says it will continue to be cautious in land bank replenishment in China. Unbooked sales at end-2021 declined by 41% yoy to Rmb16.7bn, which would lead to lower EBIT from China DP in coming years.

### Competition in China IP rental to lead to slower growth ahead

WHL's rental income from China IP portfolio grew 28% yoy to HK\$5.4bn. Management, however, saw a slowdown in retail sales of its retail IP portfolio, particularly in 4Q21, on the back of competition from nearby malls. While key malls such as Chengdu IFS and Changsha IFS maintained high occupancies of over 95% in FY21, weak demand and oversupply led to relatively low occupancies in office space.

### Liquidating equity portfolio at the right timing

WHL's equity investment portfolio decreased to HK\$52.9bn at end-2021, as it sold part of its holdings in the "new economy" sectors (e.g. technology) and repaid debt amid global macroeconomic uncertainty. Management said it further liquidated equity holdings YTD. We think its timing of liquidating equity holdings was good enough, which also led to much lower net gearing (end-2021: 8%) and lower borrowing cost (FY21: 1.8%).

### Reiterate Hold with a lower TP

We cut FY22F/23F EPS by 8%/9% to factor in a shift in DP sales booking assumptions, and cut its NAV by 2% to HK\$49.6 as a result of slower HK and China DP sales booking. Our TP for WHL is also cut by 2% to HK\$27.3, still based on a 45% discount to NAV. Reiterate Hold. Key downside risks include slower retail sales growth in its China IP and more provisions for China DP. See p.2 for more details.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (HK\$m)	20,997	22,378	22,159	28,287	28,247
Operating EBITDA (HK\$m)	11,104	8,536	8,002	8,156	7,180
Net Profit (HK\$m)	3,135	3,596	5,397	6,267	6,408
Core EPS (HK\$)	1.01	1.19	1.77	2.05	2.10
Core EPS Growth	14.0%	17.8%	47.9%	16.1%	2.2%
FD Core P/E (x)	26.19	22.24	15.03	12.95	12.66
DPS (HK\$)	0.40	0.40	0.53	0.62	0.63
Dividend Yield	1.51%	1.51%	2.00%	2.34%	2.37%
EV/EBITDA (x)	7.02	7.36	7.52	6.97	6.96
P/FCFE (x)	25.20	NA	14.11	13.70	8.91
Net Gearing	15.6%	7.9%	8.1%	8.2%	6.5%
P/BV (x)	0.51	0.50	0.49	0.48	0.46
ROE	2.05%	2.27%	3.29%	3.73%	3.72%
% Change In Core EPS Estimates			(7.57%)	(8.66%)	
CGS-CIMB/Consensus EPS (x)			0.97	1.05	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## We lower NAV estimate for WHL by 2% ➤

We cut FY22F/23F EPS by 8%/9% to factor in a shift in DP sales booking assumptions, and cut its NAV by 2% to HK\$49.6 as a result of slower HK and China DP sales booking. Our downward revision of NAV is smaller than EPS revisions, as we roll over our NAV estimate to end-FY22F which factors in a higher China IP rental base. Our TP for WHL is still based on a 45% discount to NAV. Reiterate Hold; we see limited share price upside given its low FY22F DPS yield of 2%.

Key downside risks include slower retail sales growth in its China IP and more provisions for China DP. Acquisition of NAV-accretive HK DP projects is a key upside risk.

**Figure 1: WHL FY21 underlying profit breakdown by business segment**

Underlying net profit (HK\$ m)	FY20	FY20 (adjusted)	FY21	yoy%
Investment properties	1,656	1,963	2,846	45%
Development properties	134	134	-1,252	-1034%
<i>HK</i>		-2,198	906	-141%
<i>China</i>		2,332	-2,158	-193%
Investments	900	900	1,213	35%
Hotels, logistics and others	402	420	648	54%
<b>Total</b>	<b>3,092</b>	<b>3,417</b>	<b>3,646</b>	<b>7%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: WHL FY21 results review**

HK\$ m	FY20	FY21	yoy%	FY21F	var%
<b>Revenue</b>	<b>20,997</b>	<b>22,378</b>	<b>7%</b>	<b>21,425</b>	<b>4%</b>
Direct costs and operating expenses	(7,379)	(11,064)	50%	(14,435)	-23%
SG&A expenses	(1,790)	(2,024)	13%	(552)	267%
Depreciation and amortisation	(724)	(754)	4%	(738)	2%
<b>Operating profit</b>	<b>11,104</b>	<b>8,536</b>	<b>-23%</b>	<b>5,699</b>	<b>50%</b>
Other net charge	(3,014)	(2,245)	-26%	0	n.m.
Finance costs	(780)	(266)	-66%	(972)	-73%
Share of results of JVs/associates	1,238	968	-22%	1,322	-27%
PBT	8,548	6,993	-18%	6,049	16%
Taxation	(4,545)	(2,046)	-55%	(2,273)	-10%
Net profit after tax	4,003	4,947	24%	3,776	31%
Minority interests	(911)	(1,301)	43%	101	-1393%
Underlying net profit to shareholders	3,092	3,646	18%	3,876	-6%
<b>Underlying EPS (HK\$)</b>	<b>1.01</b>	<b>1.19</b>	<b>18%</b>	<b>1.27</b>	<b>-6%</b>
1H DPS (HK\$)	0.200	0.200			
2H DPS (HK\$)	0.200	0.200			
<b>FY DPS (HK\$)</b>	<b>0.400</b>	<b>0.400</b>	<b>0%</b>	<b>0.440</b>	<b>-9%</b>
Other metrics					
Operating margin (%)	52.9%	38.1%	-15%	26.6%	12% pt
Net gearing (net debt/total equity) (%)*	15.6%	7.9%	-8%	24.3%	-16% pt

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Summary of NAV and TP changes**

	Old	New	Chg%
NAV (HK\$)	50.4	49.6	-2%
Target discount (%)	45%	45%	0% pt
TP (HK\$)	27.7	27.3	-2%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Earnings revisions**

HK\$ m	2022F			2023F			2024F
	Old	New	% chg	Old	New	% chg	New
Core net profit	5,838	5,397	-8%	6,860	6,267	-9%	6,408
EPS (HK\$)	1.91	1.77	-8%	2.25	2.05	-9%	2.10
DPS (HK\$)	0.57	0.53	-7%	0.67	0.62	-7%	0.63

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: WHL's NAV breakdown (end-FY22F)**

	HK\$ m	HK\$/share	% of GAV
HK investment properties	1,136	0.4	0.7
HK development properties	39,374	12.9	23.8
China investment properties	64,741	21.2	39.2
China development properties	20,044	6.6	12.1
Hotels, ports and equity investments	39,976	13.1	24.2
<b>Gross Asset Value (GAV)</b>	<b>165,270</b>	<b>54.1</b>	<b>100.0</b>
Less: net debt	(13,575)	(4.4)	
<b>Net Asset Value (NAV)</b>	<b>151,695</b>	<b>49.6</b>	


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

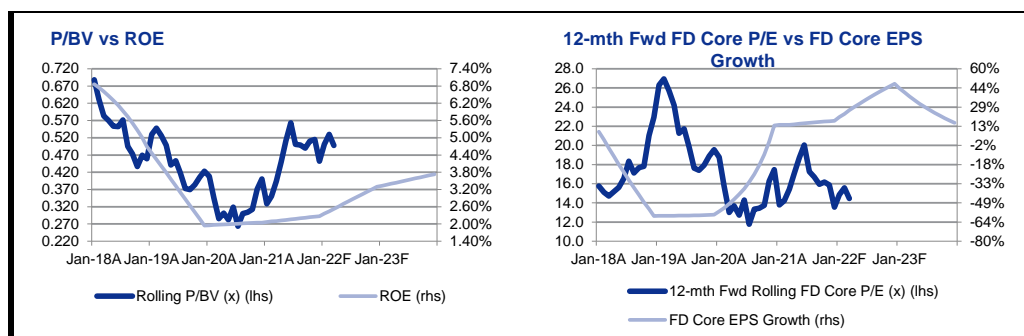
**Figure 6: HK property valuation summary**

Short Name	Ticker	Share price (HK\$)		TP (HK\$)	Rating	Mkt cap (US\$ m)	NAV/sh (HK\$)	Disc. to NAV		P/E (x)				P/BV (x)			Net Gearing (%)					
		(HK\$)	(HK\$)					NAV (%)	Upside (%)	2020	2021F	2022F	2023F	2020	2021F	2022F	2020	2021F	2022F			
CK Asset	1113 HK	49.70	58.10		ADD	23,154	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	31.40	40.40		ADD	19,437	67.3	53	29	10.2	10.7	10.1	9.5	0.46	0.46	0.45	5.7	5.7	5.8	25	38	37
Kerry Prop	683 HK	21.05	31.70		ADD	3,915	63.4	67	51	7.2	6.5	6.2	5.7	0.28	0.27	0.27	6.4	15.4	6.4	22	20	20
NWD	17 HK	29.80	42.50		ADD	9,589	70.8	58	43	11.4	10.7	10.2	7.1	0.36	0.34	0.36	6.8	6.9	6.9	41	40	43
SHKP	16 HK	89.15	143.00		ADD	33,031	204.7	56	60	8.8	8.6	8.9	8.2	0.45	0.44	0.42	5.6	5.6	5.6	15	15	14
Sino	83 HK	9.82	12.10		ADD	9,562	20.1	51	23	16.4	7.2	10.4	11.3	0.48	0.47	0.44	5.6	8.5	5.8	(26)	(24)	(24)
Wharf Holdings	4 HK	26.55	27.30		HOLD	10,374	49.6	46	3	26.2	22.3	15.0	12.9	0.51	0.50	0.49	1.5	1.5	2.0	16	8	8
HLP	101 HK	15.90	18.00		HOLD	9,147	29.5	46	13	17.0	16.4	15.0	11.9	0.52	0.50	0.49	4.8	4.9	4.9	21	24	25
HKL*	HKL SP	5.11	6.10		ADD	11,926	10.2	50	19	12.4	12.3	12.2	12.1	0.33	0.34	0.34	4.3	4.3	4.3	13	15	17
Hysan	14 HK	21.35	26.60		ADD	2,823	60.5	65	25	9.2	9.5	9.5	8.7	0.30	0.30	0.30	6.7	6.7	6.7	(7)	11	15
Swire Prop	1972 HK	19.30	21.20		HOLD	14,436	38.6	50	10	8.9	14.1	14.0	13.0	0.39	0.39	0.38	4.7	4.8	5.0	2	4	4
Wharf REIC	1997 HK	33.60	37.50		HOLD	13,044	57.7	42	12	13.6	15.7	15.2	14.0	0.50	0.49	0.49	4.4	3.9	3.8	25	23	21
Champion REIT	2778 HK	3.52	4.10		HOLD	2,680	6.3	44	16	13.5	13.9	14.2	13.9	0.41	0.43	0.42	7.1	6.5	6.3	29	28	26
Link REIT	823 HK	63.25	85.00		ADD	17,066	77.7	19	34	NA	112.6	20.4	19.7	0.81	0.83	0.83	4.5	4.6	5.1	21	30	33
Midland	1200 HK	0.90	2.52		ADD	83	NA	NA	180	4.9	2.2	1.9	1.8	0.59	0.48	0.40	0.0	11.6	14.6	(65)	(75)	(77)
<b>Developers</b>								<b>54</b>	<b>32</b>	<b>12.8</b>	<b>10.8</b>	<b>9.9</b>	<b>8.8</b>	<b>0.44</b>	<b>0.42</b>	<b>0.42</b>	<b>5.0</b>	<b>6.8</b>	<b>5.3</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Landlords &amp; REITs</b>								<b>45</b>	<b>18</b>	<b>12.4</b>	<b>27.8</b>	<b>14.4</b>	<b>13.3</b>	<b>0.47</b>	<b>0.47</b>	<b>0.46</b>	<b>5.2</b>	<b>5.1</b>	<b>5.2</b>	<b>15</b>	<b>19</b>	<b>20</b>
<b>Simple average (ex. Midland)</b>								<b>50</b>	<b>25</b>	<b>12.6</b>	<b>19.3</b>	<b>12.1</b>	<b>11.1</b>	<b>0.45</b>	<b>0.45</b>	<b>0.44</b>	<b>5.1</b>	<b>6.0</b>	<b>5.2</b>	<b>14</b>	<b>17</b>	<b>18</b>

Share price data as of 9 Mar 2022; \* HKL data stated in US\$

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

<b>ESG in a nutshell</b>		<b>Refinitiv ESG Scores</b>							
				<b>B</b> ESG Score	<b>A+</b> ESG Controversies Score	<b>B</b> ESG Combined Score	<b>B</b> ESG Environment Pillar Score	<b>A-</b> ESG Social Pillar Score	<b>C+</b> ESG Government Pillar Score
		<p>Wharf Holdings (WHL) had a combined ESG score of B according to Refinitiv. It scored A+ in ESG controversies, B for Environmental, A- for Social and C+ for Governance. We think that WHL has shown its commitment towards ESG in reducing emissions, encouraging work-life balance, talent management and charity donation. In the long term, WHL is committed to supporting the global movement of the United Nations Sustainable Development Goals (UNSDGs) and it has identified 11 of the 17 SDGs to align with in an effort to contribute to a better world.</p>							
<b>Keep your eye on</b>	<b>Implications</b>	<p>No ESG issues for WHL as far as we know.</p>							
<b>ESG highlights</b>	<b>Implications</b>	<p>In FY20, WHL achieved 5% yoy reduction in municipal water consumption, 7% yoy reduction in greenhouse gas emissions, 23% yoy reduction in general refuse to landfill and recycled 3,752 tonnes of waste.</p> <p>WHL has demonstrated its commitment towards ESG issues over the past few years. We believe further progress on ESG could support a further re-rating of its shares.</p>							
<b>Trends</b>	<b>Implications</b>	<p>WHL had an ESG score of 62.02 (B) according to Refinitiv in FY20 vs. 61.57 (B) in FY19, with relative improvements in management and community and environmental innovation. WHL scored C in “Management” section in FY20, which improved from D+ in FY19, as WHL began to disclose information about board attendance and compensation of executives and board members.</p> <p>We have not applied any premium/discount of ESG in our fundamental valuations. We believe WHL 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**

**Profit & Loss**

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>20,997</b>	<b>22,378</b>	<b>22,159</b>	<b>28,287</b>	<b>28,247</b>
<b>Gross Profit</b>	<b>13,618</b>	<b>11,314</b>	<b>10,607</b>	<b>10,811</b>	<b>9,516</b>
<b>Operating EBITDA</b>	<b>11,104</b>	<b>8,536</b>	<b>8,002</b>	<b>8,156</b>	<b>7,180</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>11,104</b>	<b>8,536</b>	<b>8,002</b>	<b>8,156</b>	<b>7,180</b>
Financial Income/(Expense)	(737)	(316)	(634)	(693)	(753)
Pretax Income/(Loss) from Assoc.	1,238	968	1,156	931	1,206
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>11,605</b>	<b>9,188</b>	<b>8,525</b>	<b>8,394</b>	<b>7,633</b>
Exceptional Items	(3,014)	(2,245)	(898)	(449)	0
<b>Pre-tax Profit</b>	<b>8,591</b>	<b>6,943</b>	<b>7,627</b>	<b>7,945</b>	<b>7,633</b>
<b>Taxation</b>	<b>(4,545)</b>	<b>(2,046)</b>	<b>(1,691)</b>	<b>(1,411)</b>	<b>(937)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>4,046</b>	<b>4,897</b>	<b>5,936</b>	<b>6,534</b>	<b>6,696</b>
Minority Interests	(911)	(1,301)	(539)	(267)	(288)
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	0	0	0	0	0
<b>Net Profit</b>	<b>3,135</b>	<b>3,596</b>	<b>5,397</b>	<b>6,267</b>	<b>6,408</b>
Recurring Net Profit	3,092	3,646	5,397	6,267	6,408
<b>Fully Diluted Recurring Net Profit</b>	<b>3,092</b>	<b>3,646</b>	<b>5,397</b>	<b>6,267</b>	<b>6,408</b>

**Cash Flow**

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>11,104</b>	<b>8,536</b>	<b>8,002</b>	<b>8,156</b>	<b>7,180</b>
Cash Flow from Inv. & Assoc.	5,904	968	1,156	931	1,206
Change In Working Capital	(3,330)	7,205	8,726	3,444	6,889
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(1,108)	(1,495)	(1,465)	(1,442)	(1,419)
Other Operating Cashflow					
Net Interest (Paid)/Received	(627)	1,953	1,585	1,526	1,466
Tax Paid	(2,783)	(2,046)	(1,691)	(1,411)	(937)
<b>Cashflow From Operations</b>	<b>9,160</b>	<b>15,121</b>	<b>16,314</b>	<b>11,204</b>	<b>14,384</b>
Capex	(1,287)	(16,500)	(10,564)	(5,282)	(5,282)
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(1,287)</b>	<b>(16,500)</b>	<b>(10,564)</b>	<b>(5,282)</b>	<b>(5,282)</b>
Debt Raised/(repaid)	(4,659)	(7,885)	0	0	0
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(845)	(2,523)	(2,159)	(2,161)	(2,214)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(5,504)</b>	<b>(10,408)</b>	<b>(2,159)</b>	<b>(2,161)</b>	<b>(2,214)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

(HK\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	16,668	23,559	23,206	22,966	25,855
Properties Under Development	42,396	48,485	47,156	49,578	48,998
Total Debtors	2,160	1,886	1,886	1,886	1,886
Inventories					
Total Other Current Assets	189	248	248	248	248
<b>Total Current Assets</b>	<b>61,413</b>	<b>74,178</b>	<b>72,496</b>	<b>74,679</b>	<b>76,987</b>
Fixed Assets	0	0	0	0	0
<b>Total Investments</b>	<b>191,415</b>	<b>178,253</b>	<b>188,063</b>	<b>192,568</b>	<b>197,050</b>
Intangible Assets	298	298	298	298	298
Total Other Non-Current Assets	969	971	971	971	971
<b>Total Non-current Assets</b>	<b>192,682</b>	<b>179,522</b>	<b>189,332</b>	<b>193,837</b>	<b>198,319</b>
Short-term Debt	11,549	3,664	3,664	3,664	3,664
Current Portion of Long-Term Debt					
Total Creditors	29,904	31,458	38,855	44,722	51,030
Other Current Liabilities	4,245	3,451	3,451	3,451	3,451
<b>Total Current Liabilities</b>	<b>45,698</b>	<b>38,573</b>	<b>45,970</b>	<b>51,837</b>	<b>58,145</b>
Total Long-term Debt	30,655	33,117	33,117	33,117	33,117
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	14,266	15,633	15,633	15,633	15,633
<b>Total Non-current Liabilities</b>	<b>44,921</b>	<b>48,750</b>	<b>48,750</b>	<b>48,750</b>	<b>48,750</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>90,619</b>	<b>87,323</b>	<b>94,720</b>	<b>100,587</b>	<b>106,895</b>
<b>Shareholders' Equity</b>	<b>158,854</b>	<b>162,020</b>	<b>165,797</b>	<b>170,170</b>	<b>174,652</b>
Minority Interests	4,622	4,357	1,311	(2,240)	(6,240)
<b>Total Equity</b>	<b>163,476</b>	<b>166,377</b>	<b>167,108</b>	<b>167,930</b>	<b>168,412</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	36.9%	7.4%	(1.8%)	37.3%	0.7%
Operating EBITDA Growth	41.1%	(23.1%)	(6.3%)	1.9%	(12.0%)
Operating EBITDA Margin	69.5%	49.8%	47.5%	35.3%	30.8%
Net Cash Per Share (HK\$)	(8.37)	(4.33)	(4.44)	(4.52)	(3.58)
BVPS (HK\$)	52.06	53.02	54.25	55.68	57.15
Gross Interest Cover	9.32	9.89	8.21	7.65	6.20
Effective Tax Rate	52.9%	29.5%	22.2%	17.8%	12.3%
Net Dividend Payout Ratio	19.9%	20.9%	25.7%	28.2%	30.0%
Accounts Receivables Days	47.49	43.04	40.86	29.77	29.64
Inventory Days	-	-	-	-	-
Accounts Payables Days	1,584	1,012	1,111	873	935
ROIC (%)	102%	72%	47%	99%	149%
ROCE (%)	5.57%	4.18%	3.93%	3.99%	3.50%
Return On Average Assets	3.14%	2.94%	2.90%	2.89%	2.74%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Property investment revenue (HK\$ m)	4,759.0	5,964.0	6,414.8	7,066.7	7,261.9
Property development revenue (HK\$ m)	11,222.0	11,193.0	10,433.1	16,058.8	16,023.6
Logistics revenue (HK\$ m)	2,566.0	3,002.0	3,092.1	2,942.9	2,742.7
Investments and other revenue (HK\$ m)	2,450.0	2,219.0	2,219.0	2,219.0	2,219.0
DP operating margin (%)	57.7%	26.3%	21.4%	12.8%	6.2%
IP operating margin (%)	60.8%	65.4%	66.5%	67.0%	67.5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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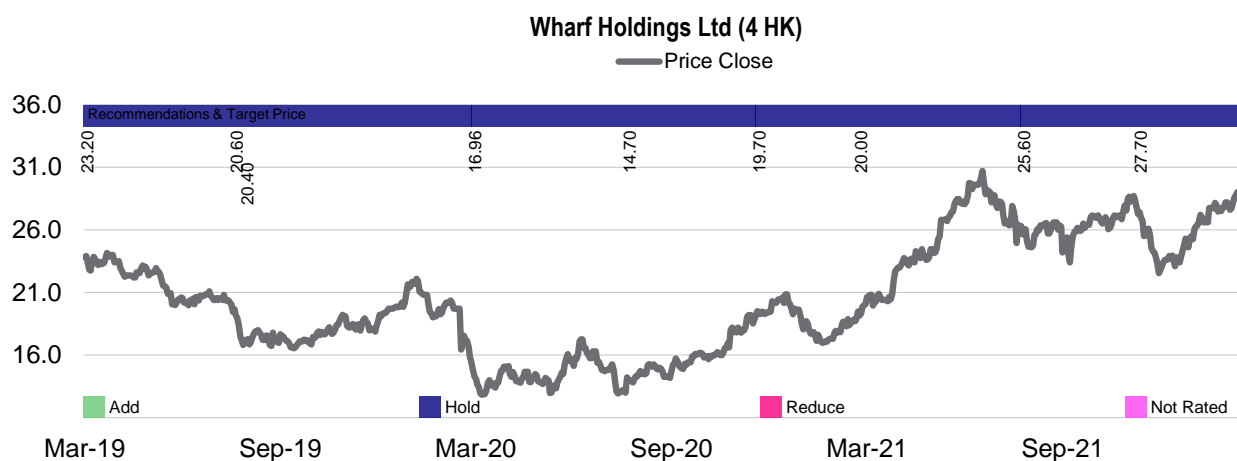
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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	
<b>Stock Ratings</b>	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.
<i>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.</i>	
<b>Sector Ratings</b>	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.
<b>Country Ratings</b>	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.

