

## Singapore

### ADD (no change)

Consensus ratings\*: Buy 7 Hold 4 Sell 2

Current price:	US\$4.86
Target price:	US\$6.10
Previous target:	US\$6.10
Up/downside:	25.5%
CGS-CIMB / Consensus:	-0.9%
Reuters:	HKLD.SI
Bloomberg:	HKL SP
Market cap:	US\$11,343m
Average daily turnover:	US\$13.01m
Current shares o/s:	2,238m
Free float:	47.9%

\*Source: Bloomberg

#### Key changes in this note

- FY22F EPS decreased by 10%.
- FY23F EPS decreased by 5%.
- FY24F EPS decreased by 1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-4	2.3	5.4
Relative (%)	-6.6	5.7	2.9

Major shareholders	% held
Jardine Matheson	52.1

#### Analyst(s)



#### Raymond CHENG, CFA

 T (852) 2539 1324  
 E raymond.cheng@cgs-cimb.com

#### Will CHU, CFA

 T (852) 2539 1327  
 E will.chu@cgs-cimb.com

#### Steven MAK

 T (852) 2539 1328  
 E steven.mak@cgs-cimb.com

# Hongkong Land Holdings Ltd

## Upsized buybacks in earnings dip

- HKL's 1H22 EPS was up 10% yoy, thanks to China DP booking, though it warned that FY22F underlying profit would be "significantly lower" than FY21.
- Central office portfolio sees above-average occupancy at end-Jun 22 despite negative rental reversions.
- Given its stringent criteria for a potential JV partner, we think its risk arising from liquidity problems from a JV partner should be quite small.
- Reiterate Add with an unchanged TP of US\$6.1. Upsized share buyback programme provides downside cushion to share price.

### 1H22 EPS up 10% yoy; guiding for a yoy decline in FY22F profit

HKL's underlying profit in 1H22 was up 8% yoy to US\$425m (43% of FY22F); EPS was up 10% yoy to US\$0.1867, thanks to its initial US\$500m buyback programme. Interim DPS was flat yoy at US\$0.06. However, management has guided that its FY22F underlying profit would be "significantly lower than the prior year", primarily due to delayed completion of its development property (DP) projects in China.

### Above-average office occupancy in Central

HK Central office portfolio sees signs of stabilisation in vacancies at 5.4% at end-Jun 22, much lower than Central Grade A office average of 7.9% (source: JLL). Its negative rental reversion could continue in 2H22F, but the magnitude should narrow towards FY23F. On the other hand, Singapore (SG) office space benefitted from positive rental reversion and declining vacancy of 3% (on a committed basis) at end-Jun 22.

### Decline in DP sales in China

HKL's DP sales in China were down 69% yoy to US\$419m on the back of lockdown measures and weaker sentiment for residential sales. Unbooked attributable sales amounted to US\$2.4bn at end-Jun 21; 39% of the balance will be recognised in 2H22F. Meanwhile, it slowed its land acquisitions 1H22 in view of uncertainties in the global economy, and has acquired only one parcel in China and another parcel in SG.

### We think its JV project risk in China is manageable

As for its JV projects in China (50% of US\$9.6bn BV of investments in JV & associates), management is unaware of any liquidity issues for its JV partners, saying that the majority of cashflow risk of a JV project is removed after the land premium is settled. In our view, based on HKL's history of being selective in choosing its JV partners (e.g., Longfor, CM Shekou, CIFI), HKL's risk in relation to JV projects should be quite small.

### Reiterate Add with an unchanged TP of US\$6.1

We cut FY22-24F EPS by 1-10%, factoring in delayed DP sales booking and lower rental growth in HK/China, partially offset by upsized share buyback programme (p.2). Our TP for HKL is unchanged at US\$6.1, still based on a 40% discount to NAV. Reiterate Add; its share repurchase in an earnings dip provides downside cushion to share price. Key risks to our Add call include prolonged lockdown measures in China, leading to weaker performance of China DP and IP. Positive rental reversion of its IP is a re-rating catalyst.

#### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (US\$m)	2,094	2,384	2,205	2,302	2,303
Operating EBITDA (US\$m)	(2,652)	(372)	930	1,019	1,001
Net Profit (US\$m)	(2,647)	(349)	868	890	965
Core EPS (US\$)	0.41	0.41	0.39	0.41	0.45
Core EPS Growth	(10.5%)	0.5%	(6.9%)	6.2%	9.9%
FD Core P/E (x)	11.77	11.65	12.58	11.85	10.79
DPS (US\$)	0.22	0.22	0.22	0.22	0.23
Dividend Yield	4.53%	4.53%	4.53%	4.53%	4.73%
EV/EBITDA (x)	7.32	7.35	7.75	6.89	5.30
P/FCFE (x)	11.13	66.59	68.73	19.68	14.95
Net Gearing	12.8%	14.7%	19.5%	19.2%	14.9%
P/BV (x)	0.32	0.32	0.31	0.28	0.26
ROE	2.61%	2.75%	2.53%	2.51%	2.53%
% Change In Core EPS Estimates			(9.78%)	(5.25%)	(0.78%)
CGS-CIMB/Consensus EPS (x)			0.94	0.94	0.99

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Upsized buyback programmes to lift FY22-24F EPS by 4-9% ➤

On 28 Jul 2022, HKL announced an upsizing of its existing share buyback programme by another US\$500m to a total of US\$1bn, valid till 31 Dec 2023. We estimate that as of 28 Jul 2022, HKL spent US\$496m (99% of original buyback budget) on repurchasing about 96m shares from the secondary market.

We further estimate that if the new US\$500m buyback budget is used up by end-FY23F, HKL's FY22F/23F/24F EPS would be 4%/8%/9% higher than if there had been no buyback programmes, having taken into account extra borrowings required by HKL and the impact on its interest expense. HKL's shares were up 6.6% on Friday following the announcement of its 1H22 results and the upsizing of the buyback programme, an indication of investors' generally positive response to HKL's capital management activities to enhance returns to shareholders.

**Figure 1: Summary of HKL's share buyback since Sep 2021 (as of 28 Jul 2022)**

Date	No. of shares repurchased
Sep-21	4,454,700
Oct-21	12,310,950
Nov-21	11,993,200
Dec-21	7,635,700
Jan-22	5,915,400
Feb-22	8,231,900
Mar-22	8,069,100
Apr-22	8,225,400
May-22	9,942,000
Jun-22	13,876,600
Jul-22	5,448,600
<b>Total</b>	<b>96,103,550</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: HKL's 1H22 results review**

US\$ m	1H21	1H22	yoy%
<b>Total revenue</b>	<b>886</b>	<b>894</b>	<b>1</b>
<i>Gross rental income</i>	553	548	(1)
<i>Property sales</i>	333	346	4
<b>Cost of sales</b>	<b>(384)</b>	<b>(403)</b>	<b>5</b>
<i>Investment properties opex</i>	(121)	(135)	11
<i>Cost of properties sold</i>	(263)	(268)	2
<b>Gross Profit</b>	<b>502</b>	<b>491</b>	<b>(2)</b>
<i>Net rental income</i>	432	413	(4)
<i>Profit from property sales</i>	70	78	12
Other income	5	10	118
Admin. & other expenses	(97)	(107)	10
<b>EBIT</b>	<b>409</b>	<b>394</b>	<b>(4)</b>
Net financing charges	(73)	(90)	22
<b>Operating profit</b>	<b>336</b>	<b>305</b>	<b>(9)</b>
Share of profit from associates	120	176	46
<i>Rental income</i>	46	42	(7)
<i>Property sales</i>	75	133	79
<b>Profit before tax</b>	<b>456</b>	<b>480</b>	<b>5</b>
Tax expenses	(62)	(56)	(10)
Minority interests	0	0	200
<b>Underlying net profit</b>	<b>394</b>	<b>425</b>	<b>8</b>
Revaluation and others	(1,259)	(133)	(89)
Reported net profit	(865)	292	(134)
<b>Underlying EPS (US\$)</b>	<b>0.1690</b>	<b>0.1867</b>	<b>10</b>
<b>DPS - interim (US\$)</b>	<b>0.06</b>	<b>0.06</b>	<b>0</b>
Net Gearing (%)	12.4%	18.0%	5.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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

	US\$ m	US\$/share	% GAV
HK Central office portfolio	13,625	6.1	46.0%
HK Central retail portfolio	2,670	1.2	9.0%
Other HK portfolio	38	0.0	0.1%
China IP	1,736	0.8	5.9%
SG IP	3,234	1.4	10.9%
Other Asean IP and hotels	611	0.3	2.1%
SG and Asean DP	1,805	0.8	6.1%
China DP	5,897	2.6	19.9%
<b>GAV - total</b>	<b>29,617</b>	<b>13.2</b>	<b>100.0%</b>
Less: net debt	(6,652)	(3.0)	
<b>NAV</b>	<b>22,964</b>	<b>10.2</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Summary of HKL's NAV**

NAV (US\$)	10.20
Target discount	40%
Target price (US\$)	6.10

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Earnings revisions**

US\$ m	2022F			2023F			2024F		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Core net profit	978	868	-11%	988	890	-10%	1,037	965	-7%
EPS (US\$)	0.43	0.39	-10%	0.43	0.41	-5%	0.45	0.45	-1%
DPS (US\$)	0.22	0.22	0%	0.22	0.22	0%	0.23	0.23	0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

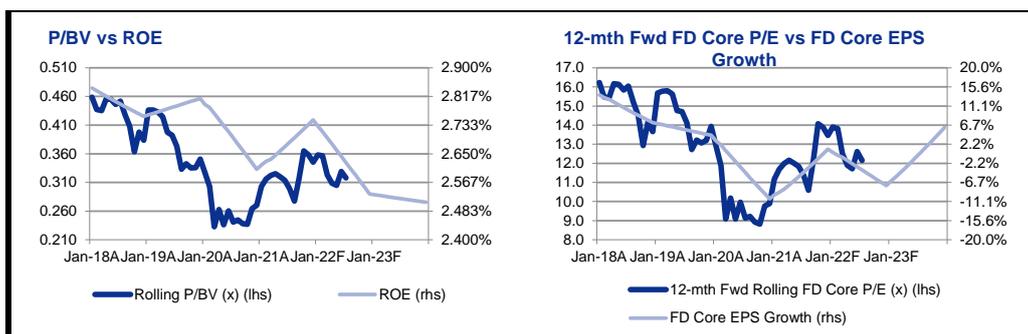
**Figure 6: HK property valuation summary**

Short Name	Ticker	Share price		TP	Rating	Mkt cap (US\$ m)	NAV/sh (HK\$)	Disc. to NAV		P/E (x)				P/BV (x)			Dividend yield (%)			Net Gearing (%)		
		(HK\$)	(HK\$)					NAV	Upside	2021	2022F	2023F	2024F	2021	2022F	2023F	2021	2022F	2023F	2021	2022F	2023F
CK Asset	1113 HK	55.45	58.10		ADD	25,738	105.6	47	5	9.5	8.7	8.5	8.2	0.54	0.52	0.50	4.0	4.0	4.0	9	2	3
HLD	12 HK	27.30	38.30		ADD	16,837	63.9	57	40	9.7	9.2	8.6	7.7	0.39	0.39	0.38	6.6	6.6	6.8	43	41	39
Kerry Prop	683 HK	18.88	28.90		ADD	3,497	64.1	71	53	3.3	5.5	4.6	5.0	0.24	0.23	0.22	19.3	7.2	7.4	16	21	20
NWD	17 HK	26.20	42.50		ADD	8,400	70.8	63	62	9.4	9.0	6.3	7.2	0.30	0.31	0.31	7.9	7.9	8.0	40	43	42
SHKP	16 HK	93.75	143.00		ADD	34,608	204.7	54	53	9.1	9.4	8.6	7.7	0.46	0.45	0.43	5.3	5.3	5.3	15	14	13
Sino	83 HK	11.66	12.10		ADD	11,464	20.1	42	4	8.7	12.5	13.6	12.0	0.56	0.53	0.51	7.1	4.9	4.9	Net cash	Net cash	Net cash
Wharf Holdings	4 HK	28.70	27.30		HOLD	11,173	49.6	42	(5)	24.1	16.3	14.0	13.7	0.54	0.53	0.52	1.4	1.8	2.2	8	8	8
HLP	101 HK	14.28	17.10		ADD	8,185	28.6	50	20	14.7	14.0	11.3	10.6	0.45	0.43	0.43	5.5	5.5	5.5	24	26	26
HKL*	HKL SP	5.19	6.10		ADD	12,113	10.2	49	18	12.5	14.0	13.6	12.6	0.34	0.34	0.30	4.2	4.2	4.2	15	20	19
Hysan	14 HK	24.05	26.60		ADD	3,151	59.2	59	11	10.6	10.7	9.8	9.1	0.34	0.33	0.33	6.0	6.0	6.0	11	15	14
Swire Prop	1972 HK	18.68	21.00		HOLD	13,921	38.1	51	12	11.5	13.6	12.5	11.3	0.37	0.37	0.37	5.1	5.2	5.4	4	4	3
Wharf REIC	1997 HK	34.90	37.50		HOLD	13,499	57.7	40	7	16.3	15.8	14.5	13.6	0.51	0.51	0.50	3.8	3.7	4.2	23	21	20
Champion REIT	2778 HK	3.46	4.10		HOLD	2,625	6.3	45	18	13.7	13.9	13.6	13.0	0.42	0.42	0.41	6.6	6.4	6.7	28	26	25
Link REIT	823 HK	65.70	80.00		ADD	17,662	79.7	18	22	117.0	20.1	20.4	19.4	0.86	0.85	0.85	4.4	4.7	4.9	27	31	31
Midland	1200 HK	0.73	1.29		ADD	67	NA	NA	77	5.2	NA	9.4	3.1	0.44	0.47	0.45	0.0	0.0	2.2	Net cash	Net cash	Net cash
<b>Developers</b>								<b>54</b>	<b>30</b>	<b>10.5</b>	<b>10.1</b>	<b>9.2</b>	<b>8.8</b>	<b>0.43</b>	<b>0.42</b>	<b>0.41</b>	<b>7.4</b>	<b>5.4</b>	<b>5.5</b>	<b>19</b>	<b>18</b>	<b>18</b>
<b>Landlords &amp; REITs</b>								<b>45</b>	<b>15</b>	<b>28.0</b>	<b>14.6</b>	<b>13.7</b>	<b>12.8</b>	<b>0.47</b>	<b>0.46</b>	<b>0.46</b>	<b>5.1</b>	<b>5.1</b>	<b>5.3</b>	<b>19</b>	<b>20</b>	<b>20</b>
<b>Simple average (ex. Midland)</b>								<b>49</b>	<b>23</b>	<b>19.3</b>	<b>12.3</b>	<b>11.4</b>	<b>10.8</b>	<b>0.45</b>	<b>0.44</b>	<b>0.43</b>	<b>6.2</b>	<b>5.2</b>	<b>5.4</b>	<b>19</b>	<b>19</b>	<b>19</b>

Share price data as of 29 Jul 2022; \* HKL data stated in US\$

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

Refinitiv ESG Scores							
	<table border="1"> <tr> <td style="text-align: center;">C+ ESG Score</td> <td style="text-align: center;">A+ ESG Controversies Score</td> <td style="text-align: center;">C+ ESG Combined Score</td> <td style="text-align: center;">B- ESG Environment Pillar Score</td> <td style="text-align: center;">B ESG Social Pillar Score</td> <td style="text-align: center;">D ESG Government Pillar Score</td> </tr> </table>	C+ ESG Score	A+ ESG Controversies Score	C+ ESG Combined Score	B- ESG Environment Pillar Score	B ESG Social Pillar Score	D ESG Government Pillar Score
C+ ESG Score	A+ ESG Controversies Score	C+ ESG Combined Score	B- ESG Environment Pillar Score	B ESG Social Pillar Score	D ESG Government Pillar Score		
<p><b>ESG in a nutshell</b></p> <p>HKL had a combined ESG score of C+, according to Refinitiv. 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.</p>							
<p><b>Keep your eye on</b></p> <p>We see no ESG issues for HKL that we are concerned about.</p>	<p><b>Implications</b></p> <p>N/A</p>						
<p><b>ESG highlights</b></p> <p>HKL succeeded in raising its first sustainability-linked loans in FY20, 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.</p>	<p><b>Implications</b></p> <p>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.</p>						
<p><b>Trends</b></p> <p>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.</p>	<p><b>Implications</b></p> <p>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.</p>						
<p><small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small></p>							

**BY THE NUMBERS**

**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>2,205</b>	<b>2,302</b>	<b>2,303</b>
<b>Gross Profit</b>	<b>1,112</b>	<b>1,100</b>	<b>1,090</b>	<b>1,181</b>	<b>1,166</b>
<b>Operating EBITDA</b>	<b>(2,652)</b>	<b>(372)</b>	<b>930</b>	<b>1,019</b>	<b>1,001</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(2,652)</b>	<b>(372)</b>	<b>930</b>	<b>1,019</b>	<b>1,001</b>
Financial Income/(Expense)	(116)	(155)	(180)	(235)	(242)
Pretax Income/(Loss) from Assoc.	268	356	292	292	380
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>1,042</b>	<b>1,076</b>	<b>1,138</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>(2,500)</b>	<b>(171)</b>	<b>1,042</b>	<b>1,076</b>	<b>1,138</b>
<b>Taxation</b>	<b>(150)</b>	<b>(179)</b>	<b>(149)</b>	<b>(158)</b>	<b>(148)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(2,650)</b>	<b>(350)</b>	<b>893</b>	<b>917</b>	<b>991</b>
Minority Interests	2	1	(25)	(28)	(26)
Prof. & 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>868</b>	<b>890</b>	<b>965</b>
Recurring Net Profit	963	966	868	890	965
<b>Fully Diluted Recurring Net Profit</b>	<b>963</b>	<b>966</b>	<b>868</b>	<b>890</b>	<b>965</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>930</b>	<b>1,019</b>	<b>1,001</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	346	(306)	(1,280)	(872)	795
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)	(180)	(235)	(242)
Tax Paid	(268)	(157)	(158)	(156)	(151)
<b>Cashflow From Operations</b>	<b>981</b>	<b>529</b>	<b>(421)</b>	<b>36</b>	<b>1,696</b>
Capex	(1,416)	(432)	(620)	0	0
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>(620)</b>	<b>0</b>	<b>0</b>
Debt Raised/(repaid)	1,454	73	1,200	500	(1,000)
Proceeds From Issue Of Shares	0	(192)	0	0	0
Shares Repurchased					
Dividends Paid	(511)	(510)	(507)	(490)	(476)
Preferred Dividends					
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>943</b>	<b>(629)</b>	<b>693</b>	<b>10</b>	<b>(1,476)</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	1,131	1,177	1,398
Properties Under Development	1,949	2,971	4,063	5,863	5,594
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>6,304</b>	<b>8,203</b>	<b>8,212</b>
Fixed Assets	0	0	0	0	0
<b>Total Investments</b>	<b>39,005</b>	<b>38,116</b>	<b>37,947</b>	<b>39,652</b>	<b>41,238</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>38,186</b>	<b>39,891</b>	<b>41,477</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	149	158	148
<b>Total Current Liabilities</b>	<b>2,415</b>	<b>3,263</b>	<b>2,757</b>	<b>2,860</b>	<b>2,937</b>
Total Long-term Debt	5,875	5,718	6,918	7,418	6,418
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>6,954</b>	<b>7,454</b>	<b>6,454</b>
Total Provisions	196	228	750	750	750
<b>Total Liabilities</b>	<b>8,523</b>	<b>9,244</b>	<b>10,460</b>	<b>11,064</b>	<b>10,141</b>
<b>Shareholders' Equity</b>	<b>35,709</b>	<b>34,584</b>	<b>33,970</b>	<b>36,944</b>	<b>39,435</b>
Minority Interests	29	34	59	87	113
<b>Total Equity</b>	<b>35,739</b>	<b>34,618</b>	<b>34,029</b>	<b>37,030</b>	<b>39,548</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(9.7%)	13.9%	(7.5%)	4.4%	0.0%
Operating EBITDA Growth	(18.1%)	(1.6%)	(1.4%)	9.5%	(1.8%)
Operating EBITDA Margin	45.8%	39.6%	42.2%	44.3%	43.5%
Net Cash Per Share (US\$)	(1.96)	(2.22)	(3.03)	(3.32)	(2.75)
BVPS (US\$)	15.30	15.05	15.46	17.25	18.41
Gross Interest Cover	4.92	4.25	3.69	3.49	3.42
Effective Tax Rate	0.0%	0.0%	14.3%	14.7%	13.0%
Net Dividend Payout Ratio	53.3%	52.9%	57.5%	54.0%	48.8%
Accounts Receivables Days	194.3	161.6	174.6	175.7	184.9
Inventory Days	-	-	-	-	-
Accounts Payables Days	564.8	535.4	644.1	582.8	605.3
ROIC (%)	47.2%	51.3%	41.5%	24.2%	15.9%
ROCE (%)	2.41%	2.41%	2.39%	2.43%	2.24%
Return On Average Assets	2.36%	2.49%	2.36%	2.41%	2.44%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Gross rental income (US\$ m)	1,085.1	1,129.0	1,121.0	1,179.1	1,201.1
Property sales booked (US\$ m)	1,009.1	1,255.3	1,084.5	1,122.7	1,101.7
Rental income GPM (%)	80.3%	78.4%	78.4%	79.9%	80.9%
Property sales GPM (%)	23.8%	17.2%	19.5%	21.3%	17.7%
Underlying payout ratio on rental profit (%)	70.6%	69.3%	67.4%	60.7%	60.7%
Net gearing (%)	12.8%	14.8%	19.6%	19.2%	14.9%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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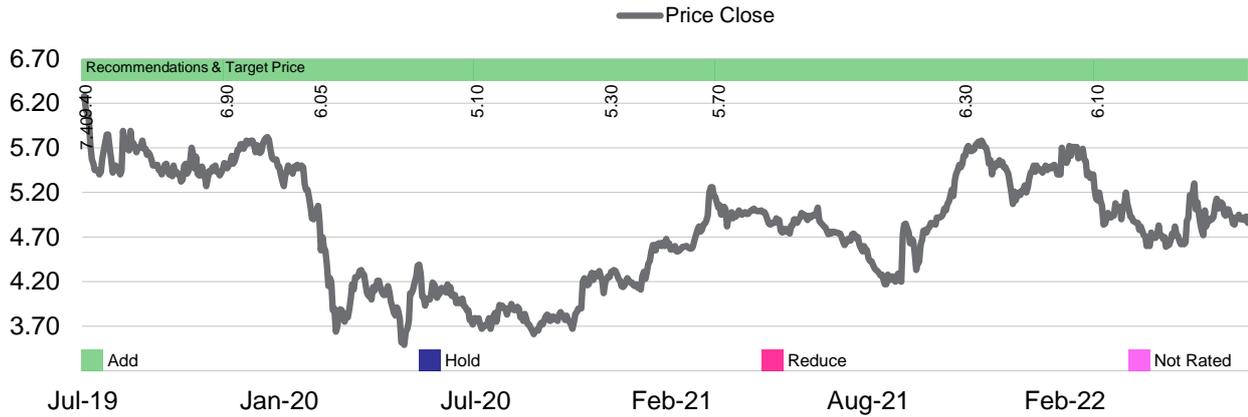
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched ( 2 year data )

Hongkong Land Holdings Ltd (HKL SP)



**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.