

Hong Kong

**ADD** (no change)

Consensus ratings\*: Buy 10 Hold 6 Sell 1

Current price:	HK\$78.00
Target price:	HK\$97.70
Previous target:	HK\$101.1
Up/downside:	25.3%
CGSI / Consensus:	1.9%
Reuters:	0016.HK
Bloomberg:	16 HK
Market cap:	US\$28,877m HK\$226,027m
Average daily turnover:	US\$36.82m HK\$287.8m
Current shares o/s:	2,898m
Free float:	52.0%

\*Source: Bloomberg

**Key changes in this note**

- FY24F EPS decreased by 7%.
- FY25F EPS decreased by 8%.
- FY26F EPS decreased by 7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.6	0.2	-27.2
Relative (%)	-2.1	4.9	-10.8

Major shareholders	% held
Kwok's family	48.0

**Analyst(s)**



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# Sun Hung Kai Properties Ltd

## Looking forward to better sales in 2HFY24F

- SHKP's underlying profit declined 6% yoy in 1HFY24; it declared an interim DPS of HK\$0.95, 24% lower yoy.
- It cut its FY24 HK DP sales target by 30% to HK\$23bn; we believe this is achievable, given its sales pipeline for 2HFY24F and policy support.
- Management will step up measures to bring its net gearing down to below 20% by end-FY24F.
- Reiterate Add with lower TP of HK\$97.70 (45% discount to NAV). We believe SHKP is one of the key beneficiaries of HK government's policy relaxation.

### Underlying profit down 6% in 1HFY24

SHKP's 1HFY24 underlying profit declined 6% yoy to HK\$8.9bn (10% below our forecast) due to lower development property (DP) profit and higher interest expense (4.5% vs. 3.1% for 1HFY23). Its interim DPS of HK\$0.95 (-24% yoy) is 11% below our estimate.

### Better sales prospects, despite lower sales target

OPM from HK DP fell 7% pts yoy to 34% in 1HFY24 on attributable sales of HK\$3.6bn booked. Its contracted sales amounted to HK\$9.6bn in 1HFY24, driven by Yoho West (HK\$5.8bn). In view of its slower DP launches, SHKP cut its FY6/24F sales target by 30% from HK\$33bn to HK\$23bn, which we believe is achievable given the stronger sales pipeline in 2HFY24F on the back of HK government's new policies for the property market. SHKP targets to launch seven new projects in CY24, including Cullinan Harbour and Cullinan Sky, the two projects in Kai Tai which SHKP believes would benefit from the scrapping of extra stamp duties and higher loan-to-value (LTV) ratios for bank mortgage financing. Meanwhile, SHKP is confident of meeting its FY6/24F sales target of HK\$5bn for China on the upbeat performance by the Hangzhou IFC residential portion.

### Solid recovery seen in its retail portfolio

Its gross rental income (GRI) from HK investment properties (IP) rebounded by 2% yoy to HK\$8.9bn in 1HFY24, driven by its retail portfolio (95% occupancy) which registered positive rental reversion during the period. Despite a 3% yoy decline in office GRI in 1HFY24, its office portfolio occupancy still held up well at 92%. GRI growth in China was strong at 15.5% yoy in Rmb terms in 1HFY24, driven by rental growth in the retail space and the absence of rental concession. Its new rental growth drivers in 2024-25 include The Millenity, Yoho Mix mall, Nanjing IFC Mall and Shanghai Three IFC.

### Reiterate Add with a lower TP

After factoring in delayed DP sales recognition and higher borrowing costs, we cut FY24-26F EPS by 7-8% and trim end-FY24F NAV by 3% to HK\$177.7. Accordingly, our TP, still based on 45% discount to NAV, declines by 3% to HK\$97.70. Reiterate Add as we believe SHKP is one of the key beneficiaries of HK government's full-scale relaxation of extra stamp duties for residential property transactions and further mortgage financing. Key downside risks: higher-than-expected DPS cuts and DP price cuts. Stronger-than-expected contracted sales and IP rental reversions are potential re-rating catalysts.

### Financial Summary

	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Total Net Revenues (HK\$m)	77,747	71,195	78,047	80,055	84,097
Operating EBITDA (HK\$m)	33,362	27,545	28,538	27,645	30,305
Net Profit (HK\$m)	25,560	23,907	23,031	24,243	25,000
Core EPS (HK\$)	9.91	8.24	7.95	8.37	8.63
Core EPS Growth	(3.8%)	(16.9%)	(3.6%)	5.3%	3.1%
FD Core P/E (x)	7.87	9.46	9.81	9.32	9.04
DPS (HK\$)	4.95	4.95	3.92	4.12	4.31
Dividend Yield	6.35%	6.35%	5.03%	5.28%	5.53%
EV/EBITDA (x)	7.02	8.68	8.49	8.39	6.94
P/FCFE (x)	12.70	19.91	24.43	15.60	10.20
Net Gearing	17.2%	18.1%	18.5%	16.8%	13.3%
P/BV (x)	0.38	0.38	0.37	0.36	0.35
ROE	4.81%	3.97%	3.80%	3.92%	3.96%
% Change In Core EPS Estimates			(6.88%)	(8.36%)	(6.70%)
EPS/Consensus EPS (x)			0.94	0.95	0.92

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## Committed to bringing net gearing down ►

SHKP's net gearing at end-2023 stood at 21.2%, up 3% pts hoh, the highest level since 1997, due to capex for projects in HK and China and capitalised interest. Its interest expense, before capitalisation of interest, amounted to HK\$3bn in 1HFY24. SHKP is committed to bringing its net gearing down to 20% or below at end-FY24F by 1) controlling capex, 2) becoming selective in land banking, 3) speeding up cash flow from DP sales and disposals, and 4) increasing borrowing in Rmb.

## Setting full-year payout ratio at high end of its target range ►

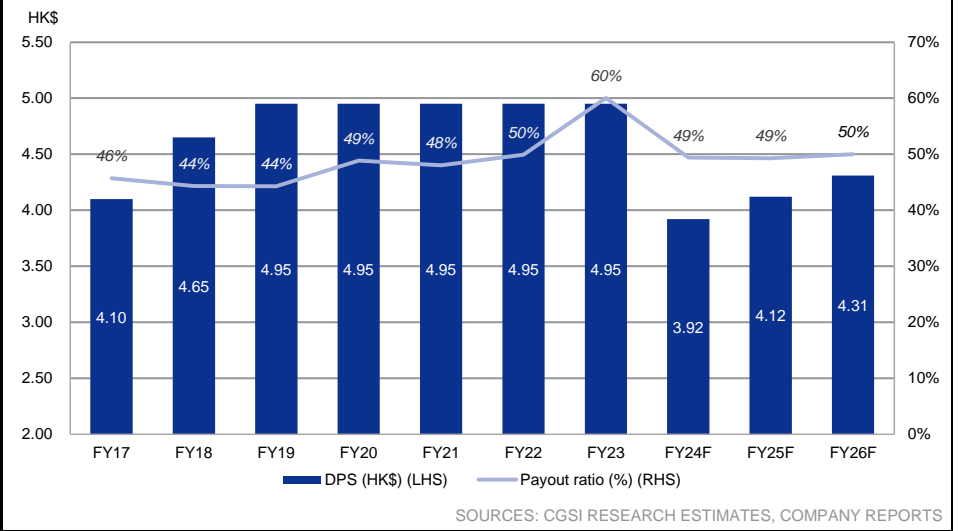
Even though its interim DPS declined 24% yoy, SHKP's management is keeping its full-year dividend payout ratio at the high end of its 40-50% guidance. We estimate a 49-50% payout ratio for FY24-26F while it tries to achieve a balance of dividend payments and net gearing control.

**Figure 1: SHKP's 1HFY24 results summary**

HK\$ m	1HFY23	1HFY24	yoy%
Property developemnt	5,057	3,868	-24%
-Hong Kong	2,881	3,612	25%
-China	2,176	256	-88%
Property investment	9,724	10,121	4%
-Hong Kong	7,429	7,552	2%
-China	2,295	2,569	12%
Hotel operation	1,551	2,317	49%
Telecom	3,809	3,390	-11%
Other income/expenses	7,287	7,846	8%
<b>Total revenue</b>	<b>27,428</b>	<b>27,542</b>	<b>0%</b>
Property sales	2,281	1,316	-42%
-Hong Kong	1,198	1,235	3%
-China	1,083	81	-93%
Rental income	7,184	7,575	5%
-Hong Kong	5,352	5,499	3%
-China	1,832	2,076	13%
Hotel operation	(82)	359	-538%
Telecom	391	361	-8%
Other income/expenses	1,085	1,342	24%
<b>Operating profit</b>	<b>10,859</b>	<b>10,953</b>	<b>1%</b>
Net interest expense	(1,215)	(1,760)	45%
<b>Net operating profit</b>	<b>9,644</b>	<b>9,193</b>	<b>-5%</b>
Non-operating profit/loss	88	193	119%
Share of profit from associates	1,998	1,613	-19%
<b>Profit before tax</b>	<b>11,730</b>	<b>10,999</b>	<b>-6%</b>
Taxation	(1,885)	(1,765)	-6%
Minority interests & PCS	(380)	(328)	-14%
<b>Core profit</b>	<b>9,465</b>	<b>8,906</b>	<b>-6%</b>
Core EPS (HK\$)	3.27	3.07	-6%
<b>DPS (HK\$)</b>	<b>1.25</b>	<b>0.95</b>	<b>-24%</b>

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 2: SHKP's DPS with our forecast up to FY26F**



**Figure 3: Earnings revisions**

HK\$ m	2024F			2025F			2026F		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Core net profit	24,732	23,031	-7%	26,455	24,243	-8%	26,794	25,000	-7%
EPS (HK\$)	8.53	7.95	-7%	9.13	8.37	-8%	9.25	8.63	-7%
DPS (HK\$)	4.26	3.92	-8%	4.56	4.12	-10%	4.62	4.31	-7%

SOURCES: CGSI RESEARCH ESTIMATES

**Figure 4: NAV breakdown (end-FY24F)**

	HK\$ m	HK\$/share	% of GAV
HK DP	108,899	37.6	16.8%
HK IP	377,165	130.2	58.3%
China IP	96,009	33.1	14.8%
China DP	22,558	7.8	3.5%
Others (incl. hotels and listed/unlisted investments)	42,388	14.6	6.6%
<b>Gross Asset Value (GAV)</b>	<b>647,018</b>	<b>223.3</b>	
Less: net debt (consol. + JV)	(131,995)	(45.6)	
<b>Net Asset Value (NAV)</b>	<b>515,023</b>	<b>177.7</b>	

SOURCES: CGSI RESEARCH ESTIMATES

**Figure 5: Summary of NAV and TP changes**

	Old	New	Change
NAV (HK\$)	183.8	177.7	-3%
Discount to NAV	45%	45%	0% pts
TP (HK\$)	101.1	97.7	-3%

SOURCES: CGSI RESEARCH ESTIMATES

Figure 6: HK Property valuation summary

Short Name	Ticker	CP (HK\$)	TP (HK\$)	Rating	Mkt cap (US\$ m)	NAV/sh (HK\$)	Disc. to NAV (%)	Upside (%)	P/E (x)				P/BV (x)			Div yield (%)			Net Gearing (%)				
									2022	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F
CK Asset	1113 HK	36.65	48.8	ADD	16,616	97.6	62	33	5.9	6.9	7.4	5.3	0.34	0.33	0.32	6.2	6.2	6.5	Net cash	Net cash	Net cash		
HLD	12 HK	23.05	25.1	ADD	14,257	45.6	49	9	11.6	11.1	10.5	10.4	0.34	0.34	0.33	7.8	7.8	7.8	40	40	37		
Kerry Prop	683 HK	12.90	15.6	ADD	2,392	51.9	75	21	4.1	6.4	6.3	5.2	0.17	0.17	0.17	10.5	10.5	10.5	38	43	40		
NWD	17 HK	10.08	13.7	ADD	3,241	45.7	78	36	5.4	14.3	12.7	7.6	0.13	0.14	0.14	7.5	23.3	8.5	50	48	48		
SHKP	16 HK	78.00	97.7	ADD	28,877	177.7	56	25	7.9	9.5	9.8	9.3	0.38	0.37	0.36	6.3	5.0	5.3	18	18	15		
Sino	83 HK	8.47	9.5	ADD	9,232	19.0	55	12	11.1	11.9	13.3	13.3	0.43	0.45	0.45	6.8	6.8	7.0	Net cash	Net cash	Net cash		
Wharf Holdings	4 HK	28.10	21.6	HOLD	10,971	48.0	41	(23)	283.4	22.4	19.6	17.8	0.57	0.55	0.53	1.4	1.5	1.7	11	10	6		
HLP	101 HK	8.46	12.6	ADD	4,863	27.9	70	49	9.1	9.2	8.0	7.8	0.29	0.28	0.28	9.2	9.2	9.2	32	33	30		
HKL*	HKL SP	3.28	3.6	HOLD	7,240	10.2	68	10	9.3	10.7	10.8	9.5	0.22	0.21	0.20	6.7	6.7	7.0	20	18	14		
Hysan	14 HK	12.96	14.9	ADD	1,700	49.8	74	15	7.9	7.1	8.6	8.4	0.17	0.17	0.17	8.3	8.3	8.6	26	26	25		
Swire Prop	1972 HK	16.06	18.0	HOLD	12,003	39.9	60	12	10.8	8.2	11.6	10.8	0.32	0.32	0.32	6.4	6.6	6.8	8	9	8		
Wharf REIC	1997 HK	26.00	30.3	ADD	10,086	60.5	57	17	12.8	12.7	11.5	10.7	0.41	0.40	0.40	5.0	5.5	5.9	19	18	17		
Champion REIT	2778 HK	1.62	1.84	REDUCE	1,236	5.02	68	14	7.5	8.6	9.7	9.8	0.21	0.21	0.20	10.4	9.2	9.1	29	27	25		
Link REIT	823 HK	39.00	51.5	ADD	12,818	68.8	43	32	14.6	6.5	15.1	14.5	0.53	0.52	0.52	7.0	6.7	6.9	26	26	25		
Midland	1200 HK	0.87	0.73	ADD	80	NA	NA	(16)	NA	NA	22.5	8.1	0.95	0.91	0.82	0.0	0.0	0.0	Net cash	Net cash	Net cash		
<b>Developers</b>									<b>60</b>	<b>16</b>	<b>47.1</b>	<b>11.8</b>	<b>11.4</b>	<b>9.8</b>	<b>0.34</b>	<b>0.33</b>	<b>0.33</b>	<b>6.7</b>	<b>8.7</b>	<b>6.7</b>	<b>26</b>	<b>27</b>	<b>24</b>
<b>Landlords &amp; REITs</b>									<b>63</b>	<b>21</b>	<b>10.3</b>	<b>9.0</b>	<b>10.8</b>	<b>10.2</b>	<b>0.31</b>	<b>0.30</b>	<b>0.30</b>	<b>7.6</b>	<b>7.5</b>	<b>7.6</b>	<b>23</b>	<b>22</b>	<b>21</b>
<b>Simple average (ex. Midland)</b>									<b>61</b>	<b>19</b>	<b>28.7</b>	<b>10.4</b>	<b>11.1</b>	<b>10.0</b>	<b>0.32</b>	<b>0.31</b>	<b>0.31</b>	<b>7.1</b>	<b>8.1</b>	<b>7.2</b>	<b>24</b>	<b>24</b>	<b>22</b>

Share price data as of 28 February 2024; \* HKL data stated in US\$

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS

## ESG in a nutshell

### Refinitiv ESG Scores

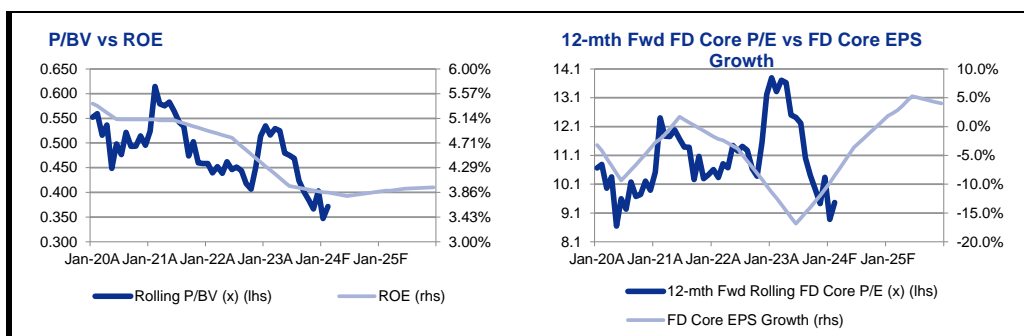
B-	A+	B-	A-	B+	D+
ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score

Sun Hung Kai Properties (SHKP) has integrated Environmental, Social and Governance (ESG) factors into its decision-making process. To support its long-term development, SHKP has established robust corporate governance through relevant strategies and policies. It is committed to actively engaging stakeholders through different channels of communication while its Sustainability Steering Committee closely monitors the progress of its sustainability strategies. SHKP's sustainability strategy is built on five priority pillars: the environment, people, customers, supply chain, and community.

<p><b>Keep your eye on</b></p> <p>We see no ESG issues for SHKP with which we are concerned.</p>	<p><b>Implications</b></p> <p>N/A</p>
<p><b>ESG highlights</b></p> <p>SHKP-initiated transitional housing, United Court, was officially opened in Jun 2022. SHKP has also installed solar panels at different types of properties it manages or owns in the city.</p>	<p><b>Implications</b></p> <p>SHKP has demonstrated its commitment to ESG issues over the past few years. We believe further progress on ESG could support a further re-rating of its shares.</p>
<p><b>Trends</b></p> <p>SHKP has set a couple of ESG targets. It aims to reduce direct and indirect greenhouse gas emissions/electricity consumption/water use of its major investment properties by 25%/13%/5% before FY6/30 (baseline: FY6/20). Also, SHKP targets to achieve an annual diversion rate of at least 70% of construction waste in HK construction projects.</p>	<p><b>Implications</b></p> <p>We have not applied any premium/discount of ESG in our fundamental valuation of SHKP. We believe SHKP will continually improve on the different areas of ESG, thereby attracting greater interest among ESG-focused investors.</p>

SOURCES: CGSI RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(HK\$m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
<b>Total Net Revenues</b>	<b>77,747</b>	<b>71,195</b>	<b>78,047</b>	<b>80,055</b>	<b>84,097</b>
<b>Gross Profit</b>	<b>39,841</b>	<b>34,458</b>	<b>35,700</b>	<b>34,583</b>	<b>37,911</b>
<b>Operating EBITDA</b>	<b>33,362</b>	<b>27,545</b>	<b>28,538</b>	<b>27,645</b>	<b>30,305</b>
Depreciation And Amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>33,362</b>	<b>27,545</b>	<b>28,538</b>	<b>27,645</b>	<b>30,305</b>
Financial Income/(Expense)	(1,747)	(2,499)	(3,170)	(3,061)	(2,566)
Pretax Income/(Loss) from Assoc.	3,148	3,677	4,630	6,928	5,008
Non-Operating Income/(Expense)	267	199	199	199	199
<b>Profit Before Tax (pre-EI)</b>	<b>35,030</b>	<b>28,922</b>	<b>30,197</b>	<b>31,710</b>	<b>32,946</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>35,030</b>	<b>28,922</b>	<b>30,197</b>	<b>31,710</b>	<b>32,946</b>
<b>Taxation</b>	<b>(5,728)</b>	<b>(4,379)</b>	<b>(5,978)</b>	<b>(6,306)</b>	<b>(6,822)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>29,302</b>	<b>24,543</b>	<b>24,219</b>	<b>25,404</b>	<b>26,124</b>
Minority Interests	(573)	(658)	(1,188)	(1,161)	(1,124)
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(3,169)	22	0	0	0
<b>Net Profit</b>	<b>25,560</b>	<b>23,907</b>	<b>23,031</b>	<b>24,243</b>	<b>25,000</b>
Recurring Net Profit	28,729	23,885	23,031	24,243	25,000
<b>Fully Diluted Recurring Net Profit</b>	<b>28,729</b>	<b>23,885</b>	<b>23,031</b>	<b>24,243</b>	<b>25,000</b>

### Cash Flow

(HK\$m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
<b>EBITDA</b>	<b>33,362</b>	<b>27,545</b>	<b>28,538</b>	<b>27,645</b>	<b>30,305</b>
Cash Flow from Invnt. & Assoc.					
Change In Working Capital	(15,342)	1,565	1,731	11,138	21,136
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	10,361	8,521	7,141	8,269	7,358
<b>Other Operating Cashflow</b>					
Net Interest (Paid)/Received	(2,603)	(3,950)	(5,436)	(5,010)	(4,074)
Tax Paid	(7,217)	(7,526)	(5,978)	(6,306)	(6,822)
<b>Cashflow From Operations</b>	<b>18,561</b>	<b>26,155</b>	<b>25,997</b>	<b>35,736</b>	<b>47,903</b>
Capex	(13,164)	(15,450)	(16,854)	(16,354)	(15,854)
Disposals Of FAs/subsidiaries	3,672	(607)	0	0	0
Disposals of Investment Properties					
Acq. Of Subsidiaries/Investments	0	0	0	0	0
Other Investing Cashflow	(40)	(1)	110	110	110
<b>Cash Flow From Investing</b>	<b>(9,532)</b>	<b>(16,058)</b>	<b>(16,744)</b>	<b>(16,244)</b>	<b>(15,744)</b>
Debt Raised/(repaid)	8,767	1,254	0	(5,000)	(10,000)
Proceeds From Issue Of Shares	(15)	4	0	0	0
Shares Repurchased					
Dividends Paid	(14,841)	(14,958)	(13,475)	(11,504)	(12,084)
Preferred Dividends					
Other Financing Cashflow	(2,780)	40	0	0	0
<b>Cash Flow From Financing</b>	<b>(8,869)</b>	<b>(13,660)</b>	<b>(13,475)</b>	<b>(16,504)</b>	<b>(22,084)</b>

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(HK\$m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Total Cash And Equivalents	20,323	15,280	11,058	14,046	24,121
Properties Under Development	207,614	212,136	210,333	201,966	185,676
Total Debtors	21,015	14,757	14,757	14,757	14,757
Inventories					
Total Other Current Assets	698	610	610	610	610
<b>Total Current Assets</b>	<b>249,650</b>	<b>242,783</b>	<b>236,758</b>	<b>231,379</b>	<b>225,164</b>
Fixed Assets	5,815	5,079	5,079	5,079	5,079
<b>Total Investments</b>	<b>552,102</b>	<b>558,129</b>	<b>574,827</b>	<b>591,877</b>	<b>606,979</b>
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	0	0	0	0	0
<b>Total Non-current Assets</b>	<b>557,917</b>	<b>563,208</b>	<b>579,906</b>	<b>596,956</b>	<b>612,058</b>
Short-term Debt	15,857	7,508	31,999	14,399	12,546
Current Portion of Long-Term Debt					
Total Creditors	33,243	36,450	36,378	39,149	43,996
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>49,100</b>	<b>43,958</b>	<b>68,377</b>	<b>53,548</b>	<b>56,542</b>
Total Long-term Debt	109,074	117,545	93,054	105,654	97,507
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	29,373	28,236	28,236	28,236	28,236
<b>Total Non-current Liabilities</b>	<b>138,447</b>	<b>145,781</b>	<b>121,290</b>	<b>133,890</b>	<b>125,743</b>
Total Provisions	13,276	9,456	9,456	9,456	9,456
<b>Total Liabilities</b>	<b>200,823</b>	<b>199,195</b>	<b>199,123</b>	<b>196,894</b>	<b>191,741</b>
<b>Shareholders' Equity</b>	<b>601,946</b>	<b>602,055</b>	<b>611,612</b>	<b>624,351</b>	<b>637,267</b>
Minority Interests	4,798	4,741	5,929	7,090	8,214
<b>Total Equity</b>	<b>606,744</b>	<b>606,796</b>	<b>617,541</b>	<b>631,441</b>	<b>645,481</b>

### Key Ratios

	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Revenue Growth	(8.81%)	(8.43%)	9.62%	2.57%	5.05%
Operating EBITDA Growth	(10.4%)	(17.4%)	3.6%	(3.1%)	9.6%
Operating EBITDA Margin	42.9%	38.7%	36.6%	34.5%	36.0%
Net Cash Per Share (HK\$)	(36.10)	(37.88)	(39.34)	(36.58)	(29.65)
BVPS (HK\$)	207.7	207.8	211.1	215.5	219.9
Gross Interest Cover	11.22	5.94	4.86	5.22	6.88
Effective Tax Rate	16.4%	15.1%	19.8%	19.9%	20.7%
Net Dividend Payout Ratio	56.1%	60.0%	49.3%	49.2%	50.0%
Accounts Receivables Days	92.46	91.70	69.20	67.28	64.05
Inventory Days	-	-	-	-	-
Accounts Payables Days	281.2	310.4	280.5	263.1	261.6
ROIC (%)	14.8%	11.4%	12.1%	11.9%	13.8%
ROCE (%)	4.57%	3.78%	3.88%	3.69%	4.02%
Return On Average Assets	3.44%	3.30%	3.31%	3.40%	3.39%

### Key Drivers

	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Contracted property sales in HK (HK\$ m)	29,600.0	33,000.0	25,725.2	29,457.1	29,793.0
Revenue from DP (HK\$ m)	33,312.0	26,183.0	31,544.9	31,860.1	34,099.6
Revenue from IP (HK\$ m)	20,438.0	19,747.0	20,632.6	21,884.7	23,323.5
Operating profit margin (%)	42.9%	38.7%	36.6%	34.5%	36.0%
Operating profit margin - DP (%)	45.0%	36.8%	28.2%	21.4%	24.0%
Operating profit margin - IP (%)	77.4%	75.7%	77.2%	77.5%	77.8%
Effective tax rate (%)	16.5%	15.2%	15.9%	15.9%	15.9%
Payout ratio on underlying profit (%)	49.9%	60.1%	49.4%	49.3%	50.0%

SOURCES: CGSI RESEARCH, COMPANY REPORTS



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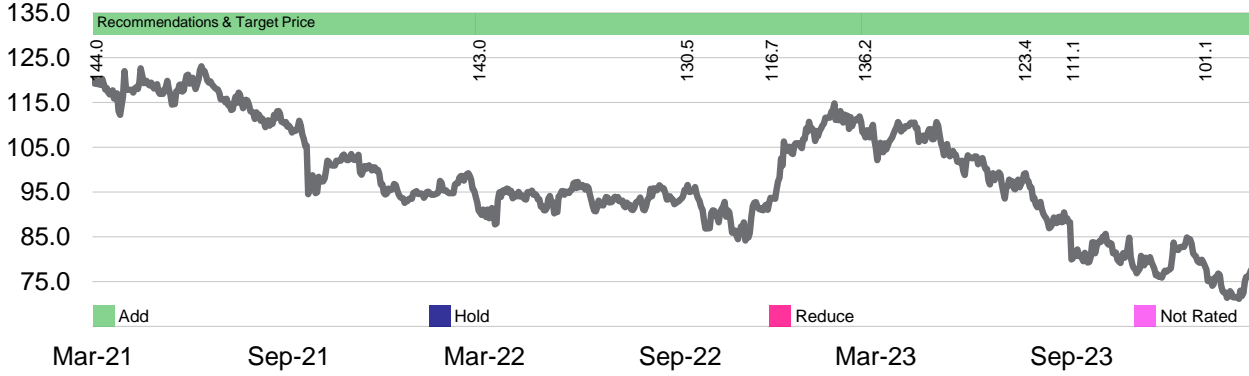
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Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%

Spitzer Chart for stock being researched ( 2 year data )

Sun Hung Kai Properties Ltd (16 HK)

— Price Close



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