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Hong Kong Property

Reuters 0041.HK
Bloomberg 41 HK

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HK HSI @ 24,193.0

12M hi/lo HK\$29.95/25.05

12M price target HK\$28.00
±% potential +4%

Shares in issue 655.8m
Free float (est.) 43.2%

Market cap US\$2,279m

3M average daily volume
HK\$9.6m (US\$1.2m)

Major shareholders

The Lo Family 56.8%

Stock performance (%)

	1M	3M	12M
Absolute	3.9	2.9	0.7
Relative	6.3	2.1	(6.0)
Abs (US\$)	3.8	2.8	0.8



Source: Bloomberg

www.cls.com

Mixed performance

Many moving parts

While Great Eagle's US hotels will benefit from the US recovery, the growth could be offset by weakening foreign currencies and ongoing renovations. We believe the uncertainties in Champion Reit and HK hotels, the company's two largest profit contributors, will also weigh on its performance. Despite our positive outlook on Central offices, rentals at Citibank Plaza should remain under pressure with a vacancy of over 20%. Slowing mainland arrivals will also impact HK hotels. Maintain U-PF.

FY14 growth driven by interest income

The 13%YoY growth, or HK\$197m, in adjusted core profit (Fig1) was largely driven by higher interest income (or HK\$159m). The profit loss from the HK hotel spin-off was mostly compensated by addition of The Langham Fifth Avenue, and the 123 Mission Street office. Overseas hotel profit grew by 22% YoY, thanks to US recovery and new addition.

Hotels – mixed picture across geographies

HK hotels underperformed, with Occupy Central (OC) and ongoing renovation impact dragging FY14 RevPAR growth to +0.1%YoY (vs +2.9%/+10%YoY for High Tariff A/B hotels), though even pre-OC, 9M14 came in at just 4.3%YoY (vs +5.3%/+4.9). Pressure on room rates should be likely to continue (Fig6-7) with Mainland arrivals down 3%YoY for the first seven days of CNY. Overseas hotels were mixed, with positive growth in N. America and New Zealand being dragged by renovations at The Langham in Sydney and London. Contribution from The Langham in Chicago and Sydney should rise with the completion of ramp-up/renovation in 2H14 but this could be offset by renovation in Washington (began in mid-Dec 14) and weak foreign currencies.

Champion REIT - Citibank rental pressures remain

Citibank Plaza NPI contracted 6%YoY, with passing rent down 8% YoY and lower occupancy at 75.4% (end-13:84.8%) due to Merrill Lynch's departure. Rental reversion should remain negative with average expiring rent of HK\$98psf in 2015 vs face rents of HK\$75-80psf though current offers are getting traction. 3.5% more spece have been committed post year-end. Lease terms have been extended for the 6.9% coming up for rent review in 2015.

Maintain Underperform

Our earnings cuts largely reflect the completion delay of the Dalian project due to weaker-than-expected sales progress. Our price target is set at a 60% discount to end-FY15CL NAV of HK\$69.9, from a 55% discount to end-FY14CL to reflect weakening retail/tourism trend.

Financials

Year to 31 December	13A	14A	15CL	16CL	17CL
Revenue (HK\$m)	7,301	8,127	4,972	5,220	5,276
Adjusted net profit (HK\$m)	1,680	1,927	1,667	1,840	2,019
NP forecast change (%)	-	-	(17.2)	(16.6)	-
Adjusted EPS (HK¢)	263.1	293.9	254.2	280.5	307.9
CL/consensus (9) (EPS%)	-	-	90	95	-
Adj EPS growth (% YoY)	(7.8)	11.7	(13.5)	10.4	9.8
Adjusted PE (x)	10.2	9.2	10.6	9.6	8.8
Dividend yield (%)	8.0	2.7	2.7	2.7	2.7
Net debt/equity (%)	23.4	25.5	23.3	16.9	14.1

Source: CLSA

Mixed performance

Figure 1

FY14 results snapshot

Financials (Dec Y/E)	FY14	FY13	YoY %
Rental income	417	335	24.7
Hotel operation income	3,361	3,481	(3.4)
Management fee income from C.Reit	310	316	(1.9)
Distribution income from C.Reit	717	717	0.0
Distribution Income from Langham	306	189	61.9
Others	483	382	26.5
Revenue from core business	5,594	5,419	3.2
Rental income	263	210	25.4
Hotel operation income	515	673	(23.5)
Management fee income from C.Reit	310	316	(1.9)
Distribution income from C.Reit	717	717	0.0
Distribution Income from Langham	306	189	61.9
Others	196	145	35.3
Operating income from core business	2,307	2,249	2.5
Other income	486	156	212.7
Other charge	(408)	(281)	45.0
EBITDA	2,385	2,124	12.3
Depreciation	(143)	(122)	17.2
EBIT	2,242	2,001	12.0
Finance costs	(166)	(126)	32.3
Share of results of associates and JVs	(27)	(26)	5.1
Core profit before taxation	2,049	1,850	10.7
Taxation	(127)	(169)	(24.8)
Core profit after taxation	1,922	1,681	14.3
Minority interests	(3)	(2)	66.7
Core profit	1,919	1,680	14.3
<i>Adjusting for:</i>			
Realised securities portfolio gains	(134)	(20)	570.0
Hotel depreciation	(188)	(191)	(1.5)
Provision for Rmb depreciation	69	-	na
Adj. core profit	1,666	1,469	13.4

Source: Company, CLSA

Figure 2

Hotel portfolio - profit contribution

(HK\$m)	FY14	FY13	YoY%	1H14	1H13	YoY%
Hong Kong						
(The Langham, Hong Kong, Langham Place, Hong Kong, and Eaton, Hong Kong from 01 Jan 13 to 29 May 13)*	-	254.8	n.a.	-	254.8	n.a.
China						n.a.
Shanghai (The Langham Xintiandi from 11-31 Dec 14)^	0.8	-	n.a.	-	-	
Europe						
UK (The Langham, London)	125.3	153.7	(18.5)	55.4	61.0	(9.3)
North America						
U.S. (The Langham, Boston, The Langham, Chicago, Langham, Fifth Ave, NY, and The Langham, Huntington Hotel & Spa) and Canada (Eaton Chelsea)	131.4	21.8	502.8	21.2	41.9	(49.9)
Australasia						
Australia (The Langham Melbourne and The Langham, Sydney) and New Zealand (The Langham, Auckland)	123.1	137.7	(10.6)	63.2	63.4	(0.5)
Total	380.6	568.0	(33.0)	139.8	421.1	(66.8)
Total (excl. Hong Kong)	380.6	313.2	21.5	139.8	166.3	(15.9)

*HK hotel portfolio was spun-off in late May-13. ^The Langham Xintiandi was acquired in Dec-14. Source: Company

Gains mainly due to the first full-year contribution of rental income from LHIL

Overseas hotels saw income increase

But the portfolio as a whole was negatively impacted by Occupy Central

- **Core profit:** FY14 core earnings came in at HK\$1,919m, up 14%YoY, mainly due to the first full-year contribution of rental income from LHIL post spin-off in May-13, the new contributions of Langham Place Fifth Avenue and 123 Mission Street, as well as HK\$134m in securities gains (FY13: HK\$20m). If we strip out the impact of exceptionals (including securities gain), core profit would be HK\$1,666m, up 13%YoY.
- **Rental income:** Net rental income increased 25% to HK\$263m. This was driven by 95%YoY growth in US portfolio from the new full-year impact of 123 Mission Street, despite the partial loss of income of 500 Ygnacio and 353 Sacramento Street due to the transfer to Great Eagle's US Fund in Aug-14 and Nov-14 respectively. In the Hong Kong portfolio, Great Eagle Centre saw +0.5%YoY net rental income growth despite -2%YoY gross income decline (from an increase in space occupied by the group post LHI-spinoff), due to a higher maintenance costs incurred in 2013. Growth also came from the Eaton Service Apartments, which saw +13%YoY growth in net rental income, driven by conversion of some rooms at the Wanchai Gap Road property into guesthouses.
- **Hotel income.** Income and EBITDA contribution of the hotels segment came down 3%YoY and 33%YoY respectively, due to the first full-year post HK-hotel portfolio spin-off. Overseas hotels saw income increase 22%YoY, given the new addition of The Langham Fifth Avenue (New York), and an improving portfolio, including The Langham Chicago (which recorded a smaller loss than in FY13), though additionally renovation works caused some drag at The Langham, London, The Langham, Sydney, and Eaton Chelsea.
 - GE's hotel manager has also announced the roll-out of a new Cordis brand (8 properties in the pipeline), to be positioned just below the Langham Place brand, as a cost saving measure through higher operational efficiency. The first property will be in Hong Kong, via the rebranding of Langham Place Hotel, with five planned in China and one each in Bali and Colombo.
- **Langham Hospitality (HK hotels):** The contribution from LHI increased by 62%YoY to HK\$306m, with the amount reflecting full-period, versus just 7-months in FY13. On the hotel level, the portfolio as a whole was negatively impacted by Occupy Central (mostly focused on Langham Place), with +4.3%YoY RevPAR for 9M14 dragged by -10%YoY in 4Q14, or down 0.1%YoY overall for FY14, and underperforming both High Tariff A & B (+2.9%/+2.6%YoY RevPAR respectively).
 - **The Langham, Hong Kong** had flat/+1.3%/+1.3%YoY in occupancy/average room rate/RevPAR respectively (4Q14: -5.3pp/-1.5%/-7%YoY), however due ongoing room renovation, average daily rooms available dropped to 465 from 495, implying room revenue dropped about 5%. F&B revenue came in +0.2%YoY (4Q14: flat) for FY14 given the renovation of several outlets during the year.
 - **Langham Place Hotel, Hong Kong (to be rebranded to Cordis Hong Kong in 2Q15)** came in at +0.5pp/-0.6%/-0.1%YoY on occupancy/room rate/ReVPAR (4Q14: -8.6pp/-6.5% /-14.9%YoY), with security concerns arising from Occupy Central causing both room booking and corporate event booking cancellations as the hotel

**Flat contribution from
Champion REIT**

**Great Eagle has a net
cash position of HK\$2.9bn**

**A final DPS of HK\$0.47
was proposed**

was located closest to the Mong Kok protests. F&B was similarly impacted, up only 2.6%YoY (4Q: -9.3%YoY) with walk-in patrons staying away from the area as a whole.

- **Eaton, Hong Kong** held up at +1.0pp/+0.4%/+1.5%YoY on occupancy/room rate/RevPAR (4Q14: -1.1pp/-4.7%/-5.7% YoY), and was the least impacted of the three by Occupy Central (also the furthest from protest locations). F&B saw an overall growth of +7.3%YoY (4Q14: +9.2%YoY).
- **Champion REIT income:** The contribution from Champion REIT came in flat at HK\$717m, despite a 3%YoY decrease in distributable income, due to increased units held by Great Eagle from 58.2% to 61.8%.
 - **Citibank Plaza** NPI came in at -6%YoY to HK\$932m. Occupancy rate fell to 75.4% from 88.6% end-Jun-14 and 84.8% end-13, mainly due to the Bank of America Merrill Lynch (making up 14%) moving out post lease expiry in Sep-2014. However, management has already begun to fill the space, with 3.5% more new leases committed. Rental reversions were negative with passing rent at HK\$77.53psf, compared to HK\$82.07psf 1H14 and HK\$84.60psf end-13, while year-end face rent was at HK\$75-80psf, compared to HK\$80-85psf for 2013.
 - **Langham Place** office NPI came in up 9%YoY to HK\$253, while mall NPI came in at 17%YoY to HK\$615m, and despite impact from Occupy Central, tenant sales growth remained resilient, coming in at +9.8%YoY (and only -1%YoY for 4Q14), compared to the HK market's -0.2%. Passing base retail rents came up to HK\$165.44psf from HK\$146.01psf (end-Jun-14), and HK\$144.26psf a year ago, while given the 2-month impact of Occupy Central, turnover rent edged down HK\$25.21psf from HK\$25.87psf in FY13.
- **Gearing:** Net gearing came in at 34.2% from 32.5% end-Jun and 31.4% a year ago, which includes the consolidated debts of both Champion REIT and LHIL. By itself, Great Eagle has a net cash position of HK\$2.9bn, compared to HK\$3bn end-Jun-14 HK\$3.8bn at end-Dec-13
- **Dividends:** A final DPS of HK\$0.47 was proposed, +9% from FY13, while no special dividend was declared. Excluding last year's special dividend, total dividend for the year came in at HK\$0.74, up 12%YoY, or a core payout ratio of 25.3% (FY13: 25.1%).

High HK occupancy was maintained...

Figure 3

Hotel portfolio occupancy			
(%)	FY14	FY13	YoYppt
The Langham, Hong Kong	88.9	88.9	-
Langham Place Hotel, Hong Kong	91.2	90.7	0.5
Eaton Hotel, Hong Kong	96.1	95.1	1.0
The Langham, London	81.1	80.7	0.4
The Langham, Boston	82.0	75.1	6.9
The Langham, Huntington Pasadena	77.0	74.8	2.2
The Langham, Chicago	60.0	46.8	13.2
Langham Place, Fifth Avenue, New York	74.5	81.4	(6.9)
Hotel in Washington D.C.	50.4	na	na
Eaton Chelsea Toronto	71.4	68.7	2.7
The Langham, Melbourne	86.1	85.7	0.4
The Langham, Sydney	82.3	82.9	(0.6)
The Langham, Auckland	82.6	76.3	6.3
The Langham, Xintiandi Shanghai	69.3	58.8	10.5
High Tariff A hotels	86	86	-
High Tariff B hotels	91	89	2

Source: Company, HK Tourism Board

...though HK room rates stayed fairly flat...

Figure 4

Hotel portfolio average room rate			
(Local currency)	FY14	FY13	YoY%
The Langham, Hong Kong (HK\$)	2,295	2,266	1.3
Langham Place Hotel, Hong Kong (HK\$)	1,871	1,883	(0.6)
Eaton Hotel, Hong Kong (HK\$)	1,213	1,208	0.4
The Langham, London (GBP)	266	278	(4.3)
The Langham, Boston (US\$)	256	242	5.8
The Langham, Huntington Pasadena (US\$)	251	228	10.1
The Langham, Chicago (US\$)	326	291	12.0
Langham Place, Fifth Avenue, New York (US\$)	538	627	(14.2)
Hotel in Washington D.C. (US\$)	182	na	na
Eaton Chelsea Toronto (CAD)	130	124	4.8
The Langham, Melbourne (AUD)	285	277	2.9
The Langham, Sydney (AUD)	303	291	4.1
The Langham, Auckland (NZD)	173	177	(2.3)
The Langham, Xintiandi Shanghai (Rmb)	1,669	1,696	(1.6)
High Tariff A hotels (HK\$)	2,452	2,382	2.9
High Tariff B hotels (HK\$)	1,205	1,201	0.3

Source: Company, HK Tourism Board

... and similarly with HK RevPARs

Figure 5

Hotel portfolio RevPAR

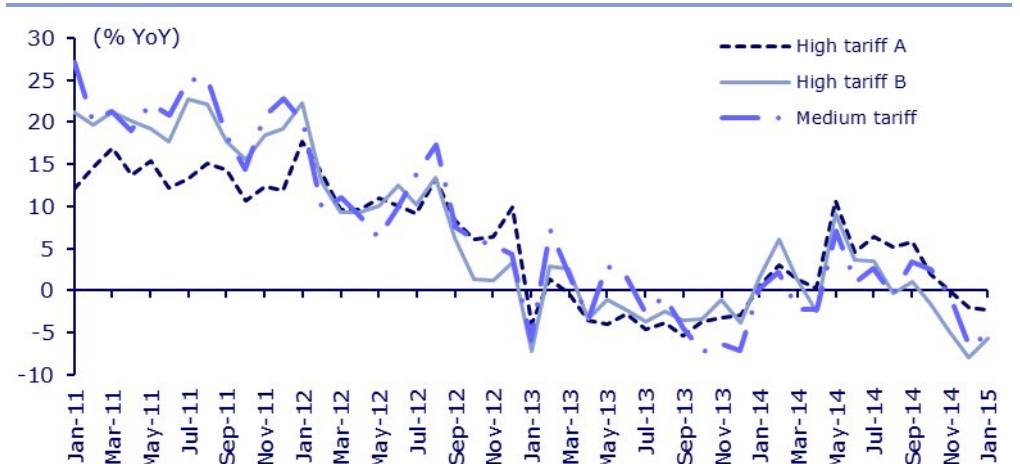
(Local currency)	FY14	FY13	YoY%
The Langham, Hong Kong (HK\$)	2,040	2,013	1.3
Langham Place Hotel, Hong Kong (HK\$)	1,706	1,707	(0.1)
Eaton Hotel, Hong Kong (HK\$)	1,166	1,149	1.5
The Langham, London (GBP)	216	224	(3.6)
The Langham, Boston (US\$)	210	182	15.4
The Langham, Huntington Pasadena (US\$)	194	170	14.1
The Langham, Chicago (US\$)	196	136	44.1
Langham Place, Fifth Avenue, New York (US\$)	400	511	(21.7)
Hotel in Washington D.C. (US\$)	92	na	na
Eaton Chelsea Toronto (CAD)	93	85	9.4
The Langham, Melbourne (AUD)	246	238	3.4
The Langham, Sydney (AUD)	250	241	3.7
The Langham, Auckland (NZD)	143	135	5.9
The Langham, Xintiandi Shanghai (Rmb)	1,156	997	15.9
High Tariff A hotels (HK\$)	2,109	2,049	2.9
High Tariff B hotels (HK\$)	1,097	1,069	2.6

Source: Company, HK Tourism Board

Downward momentum across hotels...

Figure 6

HK hotel room rates

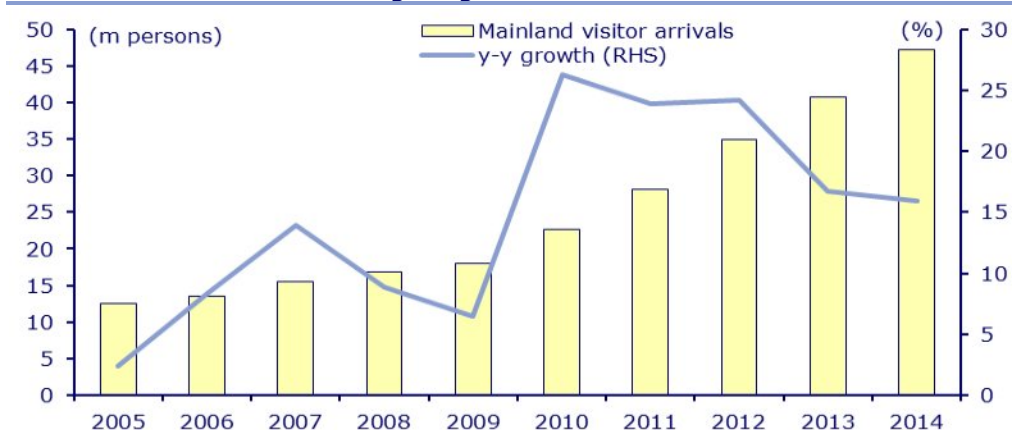


Source: Hong Kong Tourism Board, CEIC

...continued slowdown in Mainland tourist arrivals...

Figure 7

Mainland tourist arrivals to Hong Kong



Source: CEIC

...as HK becomes a less attractive destination for Chinese tourists

Figure 8

Chinese tourist destinations (2009-13)

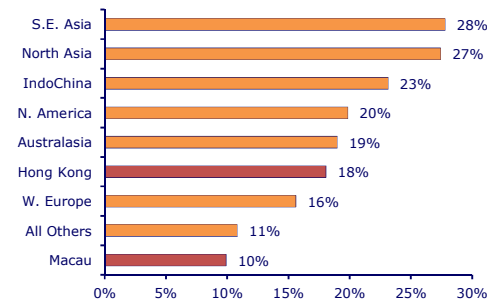
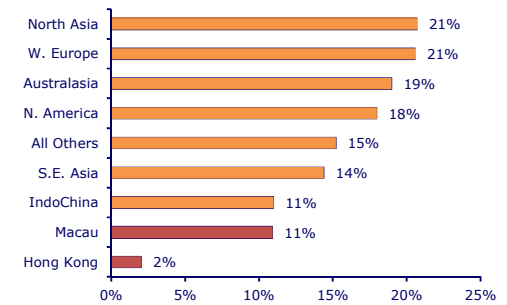


Figure 9

Chinese tourist destinations (2014-20)

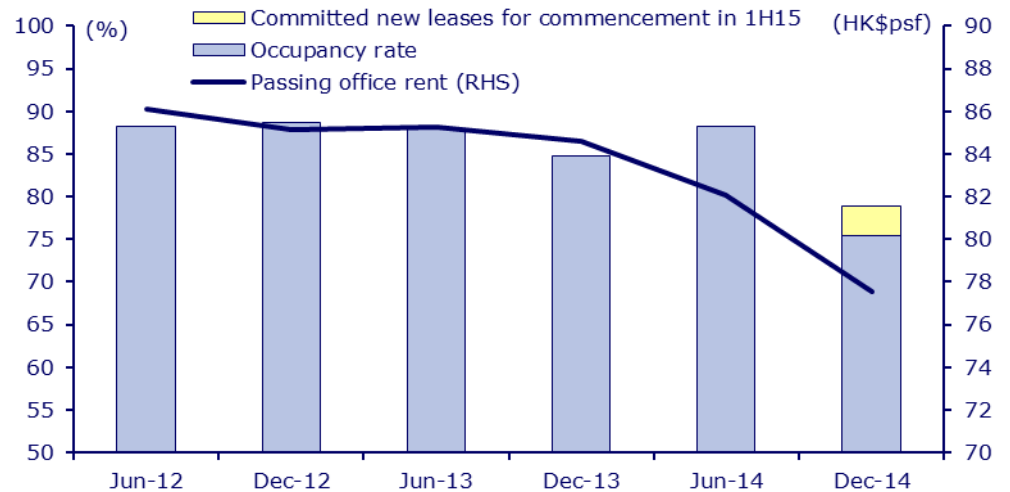


Source: Euromonitor, CLSA

Working to fill up office vacancies

Figure 10

Citibank Office Tower rent and occupancy trend



Source: Company

Target price set at 60% discount to end-FY15CL NAV

Figure 11

NAV estimate (end-FY15CL)

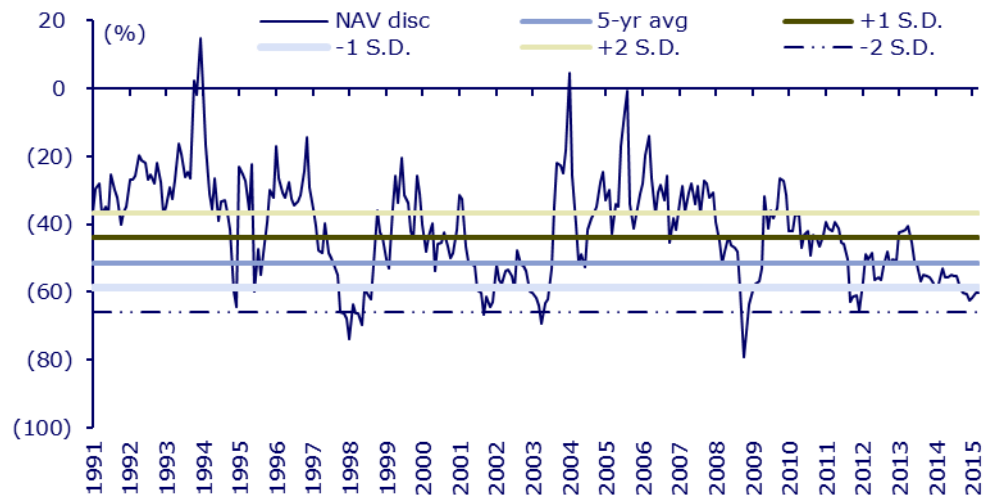
	HK\$m	HK\$/share	%
Development China	4,125	6.5	10.3
Investment property- offices (Hong Kong)	3,095	4.9	7.7
Investment property- offices (Overseas)	1,576	2.5	3.9
Investment property- Retail	687	1.1	1.7
Investment property- Serviced Apts	885	1.4	2.2
Hotels (Overseas)	12,008	19.0	30.0
Langham Hotel Holdings (1270.HK)	4,438	7.0	11.1
Champion REIT (2778.HK)	13,238	21.0	33.1
Gross asset value	40,053	63.4	100.0
Net Debt	4,084	6.5	
Net asset value	44,136	69.9	

Source: CLSA

Trading 1.2 S.D. below 5-year average

Figure 12

Great Eagle's NAV discount chart



Source: CLSA

Figure 13

Hong Kong property valuation summary

	Stock code	Rec	Last close (LC)	Target (LC)	NAV (LC)	Disc to NAV (%)	FY14 U/L PE (x)	FY15 U/L PE (x)	FY16 U/L PE (x)	FY14 Yield (%)	FY15 Yield (%)	FY16 Yield (%)
Developers												
SHKP	16 HK	SELL	119.8	120.0	202.5	(40.8)	15.1	15.9	15.8	2.8	2.8	2.8
Cheung Kong	1 HK	BUY	153.2	180.0	219.0	(30.0)	9.6	10.8	11.1	2.4	2.6	2.4
Henderson Land	12 HK	SELL	51.9	41.0	87.5	(40.7)	18.9	18.3	18.5	1.8	1.9	1.9
Sino Land	83 HK	U-PF	12.3	13.5	22.6	(45.5)	14.6	14.6	14.9	4.1	4.1	4.1
Kerry Prop	683 HK	U-PF	25.8	26.8	53.1	(51.4)	11.8	10.5	10.3	3.1	3.1	3.1
New World Dev	17 HK	U-PF	9.0	9.6	20.8	(56.6)	9.9	11.9	11.6	4.7	4.7	4.7
CSI	497 HK	BUY	0.3	0.4	0.9	(69.2)	3.3	2.5	2.7	4.0	6.0	5.5
Landlords												
Hang Lung Prop	101 HK	O-PF	22.0	24.7	35.3	(37.6)	9.8	14.3	15.4	3.5	3.5	3.5
HKLand	HKL SP	BUY	7.6	8.7	11.3	(32.5)	21.1	19.5	16.9	2.4	2.4	2.4
Hysan	14 HK	O-PF	36.8	40.0	68.9	(46.6)	17.2	16.3	15.3	3.5	3.7	4.0
Great Eagle	41 HK	U-PF	27.0	30.2	69.9	(61.4)	9.2	10.6	9.6	2.7	2.7	2.7
Wharf	4 HK	U-PF	54.9	61.7	102.7	(46.5)	13.7	11.6	10.7	3.3	3.6	4.0
Swire Prop	1972 HK	O-PF	25.3	27.5	36.6	(31.0)	21.7	21.8	21.1	2.6	2.6	2.6
Prop agents												
Midland	1200 HK	U-PF	3.5	4.3	N.A.	N.A.	70.4	22.1	19.2	1.0	2.0	2.0
REITs												
Link REIT	823 HK	O-PF	48.5	54.5	54.6	(11.3)	29.2	26.3	24.0	3.4	3.8	4.2

Source: CLSA

Valuation details

We use NAV discount is the primary valuation metric for the company. NAV reflects the spot rental change while earnings largely reflect leases signed over the past three years and properties presold over one to two years, making the former more appropriate for landlord-type property companies. In addition, we mark-to-market the company's listed subsidiaries.

Investment risks

Our negative view on the stock is primarily driven by the slowing of tourists to Hong Kong, detrimental to its HK hotel portfolio. While its geographically diverse international hotel portfolio does provide exposure to any tourism resurgence globally, as a whole the picture remains mixed at best. Additionally vacancy-driven rental pressure on Citibank Plaza in spite of an improving Central grade A office market which will continue to pull back on any positive data points from the Langham Place property. As such any policy that would thereby improve or encourage tourism growth to Hong Kong, any policy indicating less scrutiny of luxury spending (which Langham Place mall's positioning would be less able to capture), as well as numerous large new leases signed in quick succession resulting in a higher and more stable vacancy/rental trend at Citibank Plaza, would be a risk to our view.

Summary financials

Year to 31 December	2013A	2014A	2015CL	2016CL	2017CL
Summary P&L forecast (HK\$m)					
Revenue	7,301	8,127	4,972	5,220	5,276
Op Ebitda	3,155	3,456	1,937	2,101	2,274
Op Ebit	2,751	2,969	1,589	1,736	1,890
Interest income	-	-	-	-	-
Interest expense	(545)	(623)	(15)	(15)	(15)
Other items	1,598	1,422	1,056	1,183	1,312
Profit before tax	3,804	3,767	2,631	2,903	3,187
Taxation	(426)	(496)	(259)	(286)	(314)
Minorities/Pref divs	(978)	(895)	(705)	(778)	(854)
Net profit	2,399	2,376	1,667	1,840	2,019
Summary cashflow forecast (HK\$m)					
Operating profit	2,751	2,969	1,589	1,736	1,890
Operating adjustments	-	-	-	-	-
Depreciation/amortisation	404	488	348	366	384
Working capital changes	326	86	35	2,668	4
Net interest/taxes/other	(575)	(604)	(607)	(572)	(667)
Net operating cashflow	2,905	2,939	1,366	4,196	1,611
Capital expenditure	(7,534)	(4,197)	(1,426)	(959)	(977)
Free cashflow	(4,629)	(1,259)	(60)	3,238	634
Acq/inv/disposals	(844)	(95)	868	(44)	(44)
Int, invt & associate div	(656)	312	396	1,450	1,646
Net investing cashflow	(9,034)	(3,980)	(162)	448	624
Increase in loans	9,639	1,604	(2,757)	(473)	0
Dividends	(899)	(452)	(485)	(485)	(485)
Net equity raised/other	3,161	(623)	(15)	(15)	(15)
Net financing cashflow	11,900	528	(3,258)	(973)	(500)
Incr/(decr) in net cash	5,772	(514)	(2,053)	3,671	1,736
Exch rate movements	(22)	0	0	0	0
Opening cash	4,962	10,712	10,198	8,145	11,816
Closing cash	10,712	10,198	8,145	11,816	13,551
Summary balance sheet forecast (HK\$m)					
Cash & equivalents	10,712	10,198	8,145	11,816	13,551
Debtors	744	788	482	506	511
Inventories	106	2,571	2,571	0	0
Other current assets	1,852	250	250	250	250
Fixed assets	81,977	85,686	86,764	87,357	87,951
Intangible assets	-	-	-	-	-
Other term assets	2,381	2,453	1,593	1,646	1,700
Total assets	97,772	101,945	99,804	101,575	103,963
Short-term debt	7,042	3,231	473	-	-
Creditors	2,934	3,113	2,842	2,963	2,973
Other current liabs	367	360	65	72	79
Long-term debt/CBs	19,389	24,682	24,209	24,209	24,209
Provisions/other LT liabs	953	1,183	1,183	1,183	1,183
Minorities/other equity	17,131	17,608	18,313	19,091	19,945
Shareholder funds	49,956	51,770	52,719	54,057	55,575
Total liabs & equity	97,772	101,945	99,804	101,575	103,963
Ratio analysis					
Revenue growth (% YoY)	8.2	11.3	(38.8)	5.0	1.1
Ebitda growth (% YoY)	9.6	9.6	(43.9)	8.5	8.2
Ebitda margin (%)	43.2	42.5	39.0	40.3	43.1
Net profit margin (%)	32.9	29.2	33.5	35.2	38.3
Dividend payout (%)	82.1	25.2	29.1	26.4	24.0
Effective tax rate (%)	11.2	13.2	9.8	9.8	9.8
Ebitda/net int exp (x)	5.8	5.5	131.4	142.5	154.2
Net debt/equity (%)	23.4	25.5	23.3	16.9	14.1
ROE (%)	5.2	4.7	3.2	3.4	3.7
ROIC (%)	3.2	3.1	1.7	1.8	2.0
EVA@/IC (%)	(4.7)	(4.7)	(6.2)	(6.0)	(5.8)

Source: CLSA

Companies mentioned

Great Eagle (41 HK - HK\$26.95 - UNDERPERFORM)¹
 Bank of America (BAC US - US\$15.81 - SELL)²
 Bank of America Merrill Lynch (N-R)
 Champion Reit (N-R)
 Cheung Kong (1 HK - HK\$153.50 - BUY)¹
 CSI Properties (497 HK - HK\$0.29 - BUY)¹
 Hang Lung Prop (101 HK - HK\$22.00 - OUTPERFORM)¹
 Henderson Land (12 HK - HK\$53.00 - SELL)¹
 Hongkong Land (HKL SP - US\$7.55 - BUY)¹
 Hysan (14 HK - HK\$37.20 - OUTPERFORM)¹
 Kerry Properties (683 HK - HK\$25.90 - UNDERPERFORM)¹
 Langham Hospitality Group (N-R)
 Langham Hospitality Investments Ltd (N-R)
 Link Reit (823 HK - HK\$49.50 - OUTPERFORM)¹
 Midland (1200 HK - HK\$3.82 - UNDERPERFORM)¹
 New World Dev (17 HK - HK\$9.15 - UNDERPERFORM)¹
 SHKP (16 HK - HK\$121.60 - SELL)¹
 Sino Land (83 HK - HK\$12.68 - UNDERPERFORM)¹
 Swire Properties (1972 HK - HK\$25.75 - OUTPERFORM)¹
 Wharf (4 HK - HK\$56.55 - UNDERPERFORM)¹

¹ Covered by CLSA; ² Covered by CLSA Americas

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Important disclosures

Recommendation history of Great Eagle Holdings Ltd 41 HK



Date	Rec	Target	Date	Rec	Target
22 Aug 2014	U-PF	30.20	28 Feb 2013	U-PF	31.90
27 Feb 2014	U-PF	28.60	29 Oct 2012	U-PF	23.50
07 Jan 2014	U-PF	28.10	20 Aug 2012	U-PF	21.10
20 Aug 2013	U-PF	28.40	18 Apr 2012	U-PF	23.00
02 Jul 2013	U-PF	30.00			

Source: CLSA

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