Company report

HSBC Global Research

Shui On Land Limited (272 HK)

Neutral

Target price	(HKD)	1.80
Share price	(HKD)	1.70
Forecast dividend yield (%)		1.0
Potential return (%)		6.9

Note: Potential return equals the percentage difference between the current share price and the target price, plus the forecast dividend yield

Dec	2014 a	2015 e	2016 e
HSBC EPS	-0.01	0.04	0.05
HSBC PE		37.3	27.3

Performance	1M	3M	12M
Absolute (%)	-6.1	-5.0	-9.1
Relative^ (%)	-4.3	-9.1	-28.3

19 March 2015

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Issuer of report: The Hongkong and Shanghai Banking Corporation Limited

N: Reformulated game plan for asset monetization

- **The "sell-all but Xintiandi" strategy should steer the company back on track if implemented properly**
- **Balance sheet has become more stretched; recapitalization hinges on big-ticket en-bloc sale progress**
- **Maintain N with new TP of HKD1.80 (HKD1.83)**

FY14 results present another disappointment. SOL reported a core net loss of RMB85m versus a core net profit of RMB869m in 2013. This is yet another disappointment but as we have highlighted before, the market has set fairly low expectations for the stock and so we believe the share price reaction should be neutral. Core profit is below our and consensus estimate, impacted by a 10% miss in total revenue, a lower-than-expected GP margin (34% vs. HSBCe of 39%), exchange losses, the share of losses of associates, and higher-than-expected tax due to higher non-deductible offshore borrowing. FY DPS of HKD0.062 was flat y-o-y.

We believe "Sell-all but Xintiandi" strategy is the right move although execution uncertainty lingers. SOL is reformulating its business plan to accelerate the pace of asset monetization with an ultimate goal to recapitalize the balance sheet. It has a target to sell RMB10bn worth of commercial assets versus RMB3.6bn in 2014. In our view, this is the right approach as we have long argued for the need to make a bigger push on sales execution. We believe the strategic overhaul is coming on the back of persistent cash flow pressure while SOL's share price has continued to de-rate since 2009. That said, success of the plan is difficult to gauge at this preliminary stage as SOL will need to exercise a higher degree of pricing flexibility, in our view.

Balance sheet is getting more stretched. Net gearing (with PCS adj. as debt and ex-MI) edged up from 77% in end-2013 to 110% in end-2014. The high leverage is attributable to the sales shortfall last year while gross debt continued to swell, up 37% y-o-y to RMB47.9bn. Positively, we note that SOL is not under near term refinancing pressure as the next offshore bond maturity is in 2017. In our view, whether the company is able to deleverage largely hinge on progress with respect to big-ticket en-bloc sales.

Maintain N rating with new TP of 1.80, based on unchanged target discount of 75% to our new12M forward NAV estimate of HKD7.22 (vs. HKD7.26), which is 1 SD below the mean. Upside risks include: stronger-than-expected sales and ASP, while downside risks include persistently slow sales (particularly commercial) amid shift in strategy, which could lead to further deterioration in an already stretched balance sheet.

Index^	HSCEI
Index level	11,838
RIC	0272.HK
Bloomberg	272 HK

Source: HSBC

Free float (%)	32
Market cap (USDm)	1,752
Market cap (HKDm)	13,603

Source: HSBC

HSBC

Financials & valuation

Shui On Land

Neutral

Financial statements

Year to	12/2014a	12/2015e	12/2016e	12/2017e
Profit & loss summary (RMBm)				
Property sales revenue	8,543	10,380	11,666	14,376
Property investment & other revenue	1,706	1,830	1,965	2,018
Cost of sales	(6,803)	(7,789)	(8,715)	(10,214)
Gross profit	3,446	4,420	4,916	6,180
SG&A	(1,234)	(1,571)	(1,733)	(1,794)
Other income and gains	14	92	94	70
Operating profit/EBIT	2,226	2,942	3,277	4,456
Net interest expense	(613)	(688)	(695)	(680)
Share of profit from asso.	(173)	2,255	3,028	8
Non operating profit/loss	2,978	0	0	0
PBT	4,418	4,509	5,610	3,785
Taxation	(1,933)	(3,114)	(3,933)	(1,875)
Minority interests	(172)	(553)	(728)	(843)
Less distribution to perpetual security	(535)	(548)	(548)	(548)
Net profit	1,778	293	401	518
Net impact of ppty rev reserve	1,863	0	0	0
Core Profit	(85)	293	401	518
Cash flow summary (RMBm)				
Cash flow from operations	(7,691)	4,127	2,798	2,477
Capex	(4,019)	(4,836)	(3,000)	(3,000)
Other investing activities	(1,280)	2,132	(393)	(413)
New shares issued	185	0	0	0
Dividends paid	(496)	(372)	(148)	(197)
Other financing activities	14,591	(129)	1,076	(899)
Net change in cash	1,290	921	333	(2,032)
Cash at the beginning	5,378	6,668	7,589	7,923
Cash at the end	6,668	7,589	7,923	5,890
Balance sheet summary (RMBm)				
Shareholders' funds	43,760	43,682	43,934	44,255
Long-term liabilities	36,492	37,936	39,115	38,722
Minority interests	1,162	1,715	2,443	3,287
Deferred items	6,522	6,926	7,365	7,844
Total capital employed	87,936	90,258	92,857	94,108
Fixed assets	59,580	65,192	71,577	77,928
Other assets	9,003	11,672	15,137	15,607
Current assets	39,740	33,917	28,528	25,505
Total assets	108,323	110,781	115,242	119,039

Ratio, growth and per share analysis

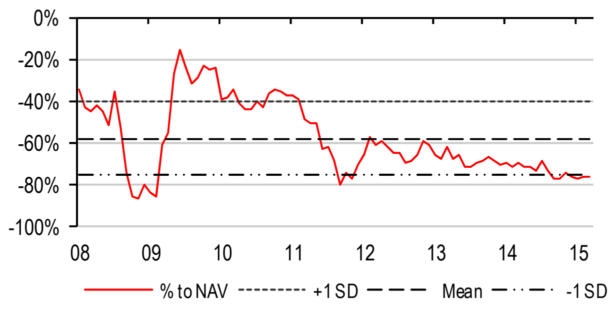
Year to	12/2014a	12/2015e	12/2016e	12/2017e
y-o-y % change				
Revenue	4%	19%	12%	20%
Operating profit	11%	21%	12%	35%
PBT	-8%	2%	24%	-33%
Reported EPS	-22%	-84%	37%	29%
HSBC EPS	-109%	-445%	37%	29%
Ratios (%)				
ROIC ex-exceptional	0%	0%	0%	1%
ROAE ex-exceptional	0%	1%	1%	1%
ROAA ex-exceptional	0%	0%	0%	0%
Operating margin	25%	25%	25%	28%
Core profit margin	-1%	2%	3%	3%
Core margin (after perp. dist.)	-6%	-2%	-1%	0%
Interest cover ex-exceptional (x)	1.5	1.3	1.5	1.1
Net debt/equity (incl. restricted cash)	84%	87%	88%	88%
Per share data (RMB)				
Reported EPS (diluted)	0.22	0.04	0.05	0.06
HSBC EPS (diluted)	-0.01	0.04	0.05	0.06
DPS (HKD)	0.06	0.02	0.02	0.03

SOL: NAV breakdown

	(RMBm)	(HKD/sh)	% of GAV
Development properties			
Residential	46,288	7.23	51.0%
Investment properties			
Office/Retail	41,205	6.44	45.4%
Others	3,331	0.52	3.7%
GAV	**90,823**	**14.19**	**100.0%**
Net debt (excluding restricted cash)	(39,709)	(6.20)	
Perpetual capital security	(5,949)	(0.93)	
Sunk cost related to relocations	6,000	0.94	
Outstanding LAT	(2,689)	(0.42)	
Potential CB conversion	2,720		
12-mo fwd NAV	**51,196**	**7.22**	

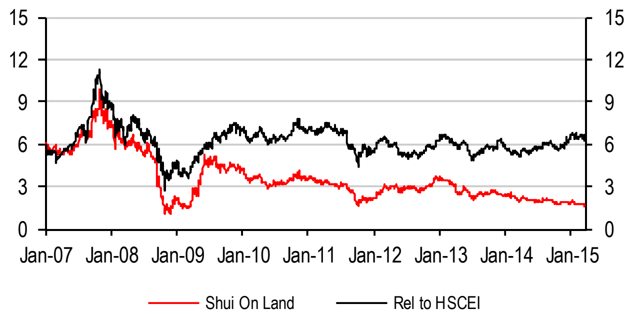
Source: HSBC estimates

NAV discount chart



Source: Company data, Thomson Reuters Datastream, HSBC estimates

Price relative



Source: Thomson Reuters Datastream, HSBC estimates

Note: Priced at close of 18 March 2015

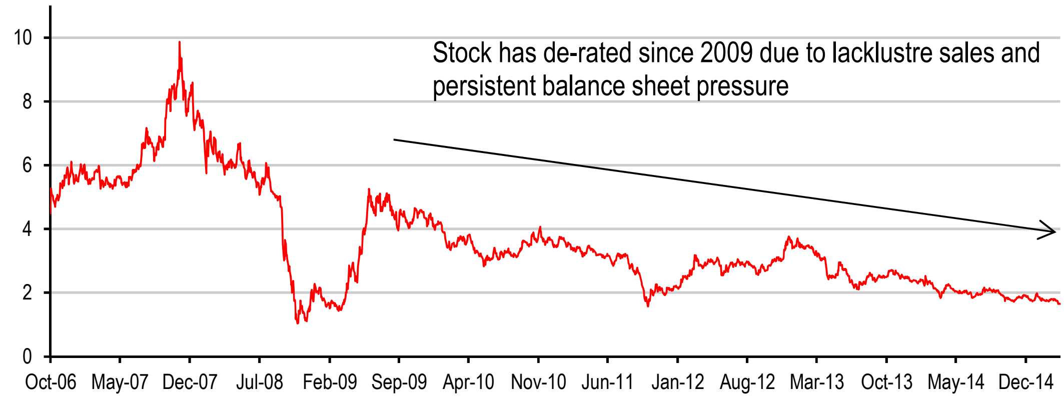
Not out of the woods

- "Sell-all but Xintiandi" strategy is the right move although execution uncertainty lingers
- Cash flow pressure is still on as gross debt continued to swell; positively, there is no offshore bond maturity until 2017
- Maintain Neutral rating with new TP of HKD1.80 (vs. HKD1.83); execution of big-ticket en-bloc transactions is key to recapitalizing the balance sheet

Reformulated game plan for asset monetization

While there have been many initiatives over the years to speed up asset turnover and revamp the business model, little progress has been made thus far given that SOL's core business focus of large-scale project master planning and resident relocation are much more time consuming tasks than a simple build-sell approach adopted by most developers in the sector. Together with the focus on building out an investment property portfolio, SOL's balance sheet has also come under more pressure and this is what drove the company to reformulate a game plan for faster asset monetization via more decisive sale of its commercial property holdings, both mature and non-core assets. Effectively, the company is now willing to adopt a "sell-all but Xintiandi" strategy. This is a completely different game plan for the company, which previously was constrained to selling non-core assets amid plans to spin-off its commercial property portfolio by way of listing China Xintiandi, its wholly-owned subsidiary that own, operates and manage a portfolio of core commercial properties. We believe the strategic change highlights the company's recognition of a more challenging physical market landscape and marked determination to recapitalize the increasingly stretched balance sheet as gross debt continued to swell. We believe this is the right strategic move as we have long argued that the company needs to make a much bigger push to offload commercial assets to better manage cash flow. That said, we would also highlight that execution of such plan remains somewhat difficult to gauge at this preliminary stage as it requires SOL to be a lot more flexible on the pricing front. The fact that SOL's share price has continued to de-rate since 2009 is probably another key reason that has underpinned the strategic overhaul, in our view.

SOL share price performance



Source: Thomas Reuters Datastream

The en-bloc push – "All but Xintiandi" strategy

The key strategic change is that SOL is now willing to sell both stabilized and non-core assets, except Shanghai Xintiandi which is its landmark project. Previously, the company was more focused on selling "non-core" assets given its plan to spin-off the core-assets into a separate commercial platform. The latest on this is the company's intention to sell Corporate Avenue 1&2 for RMB7.5bn, or RMB90k/sqm, according to Mintiandi (16 March), an independent source for China real estate intelligence. The asking price represents a record-high price tag based on recent transaction records. At the average rent of RMB12/sqm/day, the implied yield is 4.8%. In 2015, SOL is targeting to sell RMB10bn worth of commercial assets versus RMB3.6bn in 2013. The en-bloc sale represents 55% of the company's total sales target (residential + commercial) of RMB18bn in 2015.

Key office transactions in Shanghai in 2013 & 2014

Property	Precinct	Period	GFA (sqm)	Unit Rate (RMB/sq.m.)	Vendor	Purchaser
Ocean Tower	Puxi	1Q13	46,012	41,837	Ascendas	ARA
Yintong Luwan Expo Project	Puxi	1Q13	20,510	58,952	Yintong JV Greenland Group	Evergrowing Bank
Central Plaza	Puxi	2Q13	40,227	41,514	Forterra Trust	Carlyle
Cross Tower	Puxi	3Q13	41,662	39,604	Ascendas China Commercial Fund	Gaw Capital
5 Corporate Avenue*	Puxi	4Q13	64,993	51,645	Shui On Group	China Life Insurance (China Life Trust)
Ruijin Tower	Luwan	2Q14	39,671	41,665	China Orient Asset Management Corporation	BM Holdings
Suntown Plaza	Huangpu	4Q14	73,400	42,589	Shanghai Sunac Greentown Investment Holdings	Gopher Asset Management

Source: JLL
* For this transaction, the vendor has been given a call option to buy back the Sale Shares and the intercompany loan during the following period of time within seven years of building completion. Hence, the unit price is not an appropriate representation of actual market price.

Tag-along complications amid Brookfield's involvement as a strategic partner

While we believe SOL's push on en-bloc sales is a right move, this has nonetheless led to another key question relating to the much discussed spin-off plan of China Xintiandi (announced on 28 May 2013) given that some of the assets targeted for sale are within the initial property portfolio of China Xintiandi.

The added complication is in Brookfield's partnership and investment in China Xintiandi in the form of Convertible Perpetual Securities, which could only be converted upon listing of the commercial vehicle. While management indicated that it will continue to pursue the proposed IPO, it also realizes that the commercial vehicle will most likely be listed at a larger discount than selling the assets to third parties in the open market. With respect to Brookfield's involvement, SOL said they have yet come to a resolution, while stating that one possible outcome is to co-invest with Brookfield in new projects using proceeds from asset sales from the initial portfolio.

Residential sales a secondary focus in the near term

The company has set a residential sales target of RMB8bn in 2015, up 30% y-o-y from cRMB6bn in 2014. But given the more back-end loaded pre-sale pipeline, there will be no excitement on residential sales until 4Q when the Shanghai projects are launched. SOL is planning to launch Rainbow City (RHXC) and Taipingqiao (TPQ) in 4Q with aggregate saleable resources of RMB11bn. These are key flagship projects of the company that have achieved fairly strong sales response in the past. Specifically, RHXC had achieved a sell-through rate of 100% in the past, while TPQ is a luxury project that outshines in terms of profitability with expected GP margin of c50%.

2015 Contracted sales target - RMB18bn (Including general and en-bloc commercial properties sales)

Residential projects	Product type	Under construction (sqm)	Completed (sqm)
Shanghai Taipingqiao - Lakevilleluxe (Lot 116)	High-rises	45,000	-
Shanghai RHXC -			
The View	High-rises	-	300
Residential Phase 6	High-rises	86,000	-
Wuhan Tiandi -			
Wuhan Tiandi B14	Low/mid/high-rises	68,200	-
Chongqing Tiandi - The Rivera Phase II - IV	Low/mid/high-rises	155,000	52,100
Foshan Lingnan Tiandi -			
Legendary Phases 1-2	Townhouses	-	5,700
Regency Phase 2, Lingnan Tiandi - Park Royale and Lingnan Tiandi - The Imperial	Low/mid/high-rises	-	41,800
Lingnan Tiandi - The Metropolis	High-rises	68,100	-
Dalian Tiandi	Mid/high-rises	130,100	15,400
	Villas	-	13,200
Sub-total		**552,400**	**128,500**
Total			**680,900**

Source: Company data

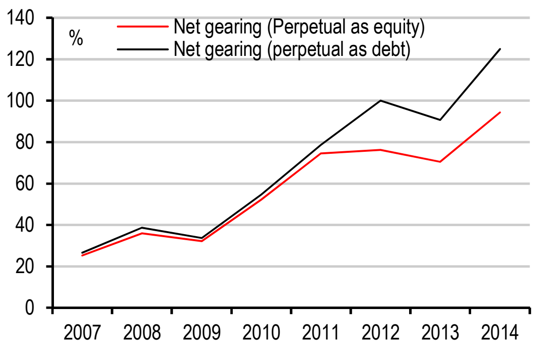
Cash flow pressure is on

We relate SOL's more decisive plan for asset sales to the increasing balance sheet pressure. The company's reported net gearing edged up from 59% in end-2013 to 79% in end-2014. If we reclassify the perpetual security as debt, end-2014 net gearing (ex-MI) would be 110% versus 77% a year earlier. The increased leverage is mainly attributable to the contracted sales shortfall last year while the company has also taken on more new borrowings. Total planned capex in 2014 was RMB13.5bn, while SOL only achieved sales of RMB9.75bn during the same period (versus its target of RMB13bn). The company's total borrowing swelled to RMB47.9bn, up 37% y-o-y although we highlight that part of this is due to double carrying of bonds that SOL had used for refinancing earlier this year.

In 2015, net gearing will edge up further based on our negative operating cash flow projection. Total estimated cash inflow of RMB16.5bn (of which RMB2bn is carried forward from last year) is insufficient to cover total outflow of RMB18.5bn. In our view, the key swing factor to the cash flow projections is dependent on SOL's ability to successfully close the en-bloc transactions. Specifically, sale of Corporate Avenue 1&2 would bring in over RMB7bn, which accounts for over 40% of our total expected cash inflow.

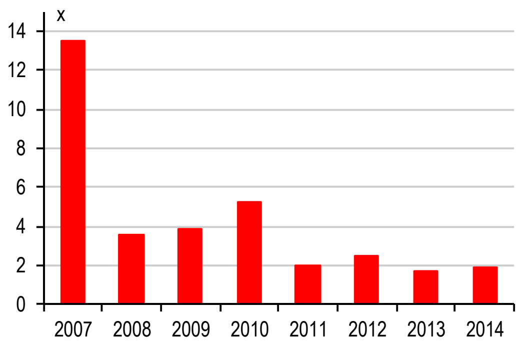
In terms of refinancing needs, we note that SOL has no upcoming offshore bond maturity until 2017.

Net gearing



Source: Company data
Note: Net gearing is calculated excluding restricted cash and minority interests

Unrestricted cash / gross debt



Source: Company data, HSBC estimate
Note: The ratio is calculated based on un-restricted cash in current assets

What's changed?

We are leaving our FY15 and FY16 EPS largely unchanged. While end-2014 gross debt has had a meaningful increase, we note that the company has made three bond repayments earlier this year with aggregate principal amount of RMB5,150m, which in turn should help lower net finance cost this year. We have left our contracted sales forecast unchanged and have not yet factored in the closure of the potential sale of Corporate Avenue 1&2, which will be a key swing factor in our earnings projection. En-bloc sales have historically been very volatile and difficult to gauge and hence we opt for a more conservative approach in our financial model. We introduce 2017 EPS of RMB0.06, which represents growth of 29% y-o-y.

Valuation and risks

Our target price is revised down slightly to HKD1.80, from HKD1.83, based on 1SD below the mean (unchanged), or 75% discount to our revised forward NAV estimate of HKD7.22 (from HKD7.26). Under our research model, for stocks without a volatility indicator, the Neutral band is 5ppts above and below the hurdle rate for China stocks of 9.0%. Our target price implies a potential return of 6.9%, including a forecast dividend yield of 1%, within the Neutral band; therefore, we maintain our Neutral rating. Potential return equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated.

Downside risks include: 1) unexpected slowdown in residential sales momentum and inability to execute the planned en-bloc deals may negatively affect future earnings prospects and lead to further deterioration in balance sheet strength, and 2) investors' confidence about execution in general.

Upside risk includes: significantly stronger-than-expected sales and hence faster-than-expected balance sheet recapitalization. Constructive progress with regard to the spin-off plan is another upside.

FY14 results review

SOL reported core net loss of RMB85m versus core net profit of RMB869m in 2013. The company declared final DPS of HKD0.40, bringing the full year dividend to HKD0.062 per share, flat y-o-y. The key highlights of the results are as follows:

Higher revenues due to higher ASP offset by lower GFA delivered. Property development revenue increased 2% due to an 18% increase in recognised ASP from RMB21,900/sqm in FY13 to RMB25,800/sqm in FY14, offset by a 14% decline in GFA delivered to 552,400 sqm in FY14 vs 641,000 sqm in FY13.

Slight improvement in GP margin. GP margin was up by 1.5ppts y-o-y to 34%. GP margin of the recognized property sales improved from 27% in 2013 to 29% in 2014.

Higher rental income due to new project additions and positive rental reversion from existing projects. FY14 rental income rose by 10% y-o-y to RMB1,578m, driven by positive rental reversion mainly from Shanghai Taipingqiao, Shanghai KIC and Wuhan Tiandi, as well as new project completion in shanghai, including THE HUB.

Higher net finance cost due to exchange loss and higher total borrowing. The finance cost of RMB921 m in FY14 includes net exchange loss of RMB34m, vs a gain of RMB363m in FY13. Total debt increased 37% to RMB47,965m while the cash balanced was up 22% to RMB12,430m. Higher net finance cost was also attributable to lower interest capitalization rate which decreased from 81% in 2013 to 77% in 2014.

Slight decline in overall SG&A expenses. Selling and marketing expense decreased 23% y-o-y due to lower contracted sales during the year. On the other hand, administrative expense increased 5% y-o-y due to full integration of the asset management platform for China Xintiandi. SG&A as a percentage of turnover was 12% in 2014 versus 13% in 2013.

Net gearing deteriorated further. The reported net gearing levels (including restricted cash and MI) increased 20ppt y-o-y to 79%, as gross debt continues to swell to RMB47,965m (+37% y-o-y), which could not be offset by the increase in cash balance (+22% y-o-y) and shareholder’s equity (+5% y-o-y). Note that the net gearing level is 110% if we reclassify the perpetual capital security as debt, up 32ppts y-o-y.

Shui On Land FY14 results review

(RMBm)	2013	2014	y-o-y	Remarks
Turnover				
Property Development	8,361	8,543	2%	18% y-o-y increase in recognised ASP offset by a 14% y-o-y decline in GFA delivered
Property Investment	1,440	1,578	10%	Driven by positive rental reversion coupled with contribution from new completions
Others	27	128	374%	
Total Turnover	**9,828**	**10,249**	**4%**	
Cost of sales	(6,673)	(6,803)	2%	
Gross profit	3,155	3,446	9%	
Interest Income	229	308	34%	
Other income	373	14	-96%	
Selling and marketing expenses	(328)	(253)	-23%	Decrease in selling and marketing expenses due to fewer contracted sales being achieved in FY14.
General and administrative expenses	(938)	(981)	5%	The increase is due to establishment of the fully integrated asset management platform for China Xintiandi Holdings.
Operating profit	**2,491**	**2,534**	**2%**	
Fair value gain on IP	2,912	2,978	2%	
Share of results of associates	(178)	(173)	-3%	
Finance cost, net of forex gain	(448)	(921)	106%	Due net exchange loss of RMB34m, vs a gain of RMB363m in FY13
Profit before taxation	**4,777**	**4,418**	**-8%**	
Income & other tax (ex LAT)	(1,432)	(1,107)	-23%	Due to lower deferred tax, although effective tax rate increased as a result of higher non-deductible offshore borrowing
LAT	(640)	(826)	29%	
Less: Minority Interests	(266)	(172)	-35%	
Less: perpetual capital securities	(314)	(535)	70%	
Net Profit	**2,125**	**1,778**	**-16%**	
Revaluation gain on IP, net of tax	(1,446)	(1,894)	31%	
Add: Non controlling interests	190	31	-84%	
Core Profit	**869**	**(85)**	**-110%**	
Reported EPS (RMB)	0.28	0.22	-22%	
Core EPS (RMB)	**0.12**	**-0.01**	**-109%**	
Full year DPS (HKD)	**0.06**	**0.06**	**0%**	
Weighted number of shares	7,491	8,002	7%	
Contract sales (RMBm)	16,613	9,750	-41%	
Liquidity	**2013**	**2014**		
Long-term borrowings	28,776	36,492	27%	
Short-term borrowings	6,315	11,473	82%	
Cash (ex-restricted cash)	8,949	9,959	11%	
Cash (Inc-restricted cash)	10,180	12,430	22%	
Net Debt (ex-restricted cash)	26,142	38,006	45%	
Net Debt (Inc-restricted cash)	24,911	35,535	43%	
Perpetual bond	3,094	5,949	92%	
Shareholder's equity (ex-MI)	36,155	37,811	5%	
Net gearing (ex-restricted cash and MI)	72%	101%	28ppt	
Net gearing (Inc-restricted cash and MI)	69%	94%	25ppt	
Net gearing (Inc-res.cash, ex-MI, and adj. perpetual as debt)	77%	110%	32ppt	
Net gearing reported	59%	79%	20ppt	
Margins	**2013**	**2014**	**ppt**	
SG&A to contract sales ratio	7.6%	12.7%	5.0	
Gross margin	32%	34%	1.5	
NP margin	22%	17%	-4.3	
Core profit margin	9%	-1%	-9.7	
LAT to Property sales revenue	8%	10%	2.0	

Source: Company data, HSBC estimates

Disclosure appendix

Analyst Certification

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Important disclosures

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HSBC assigns ratings to its stocks in this sector on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The price target for a stock represents the value the analyst expects the stock to reach over our performance horizon. The performance horizon is 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, must exceed the required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock must be expected to underperform its required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands are classified as Neutral.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation of coverage, change of volatility status or change in price target). Notwithstanding this, and although ratings are subject to ongoing management review, expected returns will be permitted to move outside the bands as a result of normal share price fluctuations without necessarily triggering a rating change.

*A stock will be classified as volatile if its historical volatility has exceeded 40%, if the stock has been listed for less than 12 months (unless it is in an industry or sector where volatility is low) or if the analyst expects significant volatility. However, stocks which we do not consider volatile may in fact also behave in such a way. Historical volatility is defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility has to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

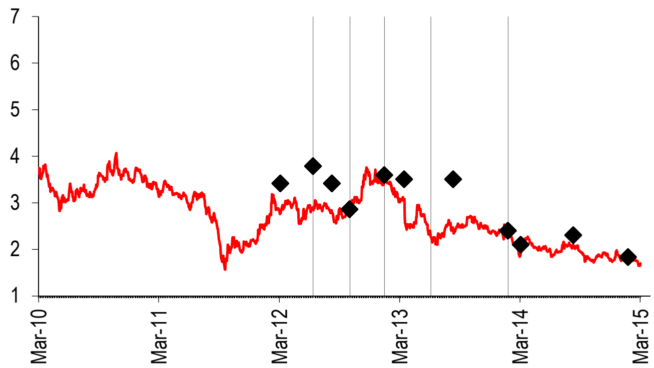
Rating distribution for long-term investment opportunities

As of 18 March 2015, the distribution of all ratings published is as follows:

Overweight (Buy)	41%	(30% of these provided with Investment Banking Services)
Neutral (Hold)	39%	(28% of these provided with Investment Banking Services)
Underweight (Sell)	20%	(20% of these provided with Investment Banking Services)

Share price and rating changes for long-term investment opportunities

Shui On Land Limited (0272.HK) Share Price performance HKD Vs HSBC rating history



Source: HSBC

Recommendation & price target history

From	To	Date
Overweight	Overweight (V)	28 June 2012
Overweight (V)	Neutral (V)	17 October 2012
Neutral (V)	Neutral	30 January 2013
Neutral	Overweight	20 June 2013
Overweight	Neutral	09 February 2014
Target Price	**Value**	**Date**
Price 1	3.41	21 March 2012
Price 2	3.78	28 June 2012
Price 3	3.41	24 August 2012
Price 4	2.86	17 October 2012
Price 5	3.59	30 January 2013
Price 6	3.50	01 April 2013
Price 7	3.50	27 August 2013
Price 8	2.40	09 February 2014
Price 9	2.10	20 March 2014
Price 10	2.30	27 August 2014
Price 11	1.83	09 February 2015

Source: HSBC

HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price Date	Disclosure
SHUI ON LAND LIMITED	0272.HK	1.70	18-Mar-2015	4, 6

Source: HSBC

1 HSBC has managed or co-managed a public offering of securities for this company within the past 12 months.
2 HSBC expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
3 At the time of publication of this report, HSBC Securities (USA) Inc. is a Market Maker in securities issued by this company.
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