

Dividend Forecasting Bi-weekly Brief

11th April 2023

APAC what to watch

CSI 300: FY2022 logs stable performance with 13% aggregate dividend growth

The last FY2022 earnings announcement for CSI 300 index flowed in on 31st March, concluding a stable aggregate dividend growth rate at 13% y/y and amounted to CNY1,186 bn. Most notably, **food, beverage and tobacco** sector grew by 36% y/y. This mainly resulted from the double-digit profit growth from the leading wine companies. Major participants from **energy sector** benefited from the oil price hike last year, logged 20% y/y increase in aggregate dividend payments. **Banking sector** continues to contribute the most aggregate dividend payments with around CNY 356 bn in total, represents their resilience with stable 6% y/y growth. Among the list, **financial services** and **real estate sector** companies declined the most with 32% y/y and 42% y/y respectively. The substantial amount of dividend cut for both industries was the reflection of volatile equity market last year and the sluggish performance of real estate participants amid the strict pandemic control.

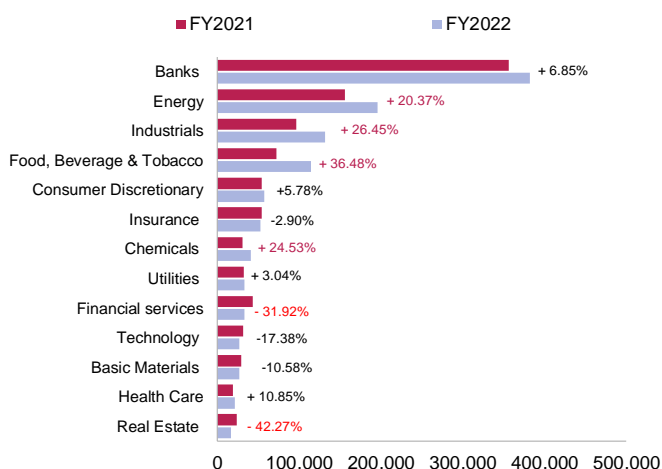
HSI: Flat performance with 2% y/y climb for FY2022 aggregate dividends

The aggregate dividend performance for Hang Seng Index is rather subdued when comparing with the double-digit growth rate of CSI 300. The total amount was HKD 660bn for FY2022 (FY2021: HKD 641bn). **Technology sector** leads the list with largest growth rate of 39% y/y, mainly contributed by the nearly 50% increase of dividend payments from **Tencent** and 24% climb from **Lenovo**. **Telecom sector** ranks the 2nd place in the list with 12% y/y surge thanks to the stable and rising dividend payments from both **China Mobile** and **China Unicom**. **Real estate sector** logged sharp 15% y/y decline. Especially for the mainland real estate participants such as **China Overseas** and **Longfor group** both cut the dividend by 33% amid the double-digit drop in net profit. **Country Garden**, the leading player even suspended the final dividend payments with the nearly CNY3 bn loss announced for FY2022.

MSCI Taiwan: Sharp dividend cut expected for leading marine shipping companies amid continuous decline in exports demand

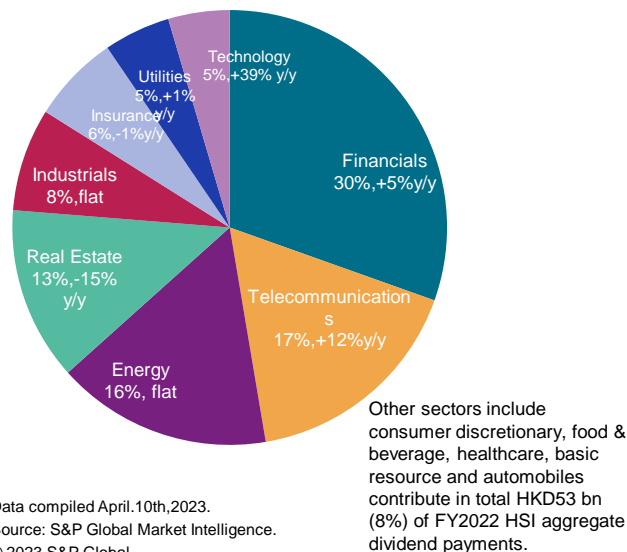
It is anticipated that leading Taiwanese shipping corporations will significantly curtail their dividends for FY2023, led by **Evergreen Marine** and **Yang Ming Marine** to register over 90% y/y expected decrease. This conjecture is based on the recent disclosure by Taiwan's Ministry of Finance, which reported a continual contraction in exports for the past sixth successive months. The deterioration is primarily due to a substantial reduction in shipping demand from key markets such as Mainland China, Hong Kong, and the United States, evincing a worldwide attenuation in the need for semiconductor chips and consumer electronics.

CSI300 FY22 Key Sector Breakdown (CNY, Million)



Data compiled April.10th, 2023.
Source: S&P Global Market Intelligence.
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Hang Seng Index FY22 Dividend Key Sector Breakdown



Data compiled April.10th,2023.
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APAC special reports



Infographic: ASX200 Apr-Jun Dividend Outlook

A summary report of ASX200 Q2 dividend outlook analysis from the perspectives of DIPs, estimation confidence and drop score.

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MR D.I.Y. Group: dividend outlook fueled by housing market recovery

MRDI group is expected to increase dividend payments amid the Malaysia housing market recovery.

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