

China/Hong Kong Company Update

Geely Automobile Holdings

Bloomberg: 175 HK EQUITY | Reuters: 0175.HK

Refer to important disclosures at the end of this report.

DBS Group Research. Equity

7 Jul 2021

BUY

Last Traded Price (7 Jul 2021): HK\$24.05 (HSI : 27,961)

Price Target 12-mth: HK\$30.00 (25% upside)

Analyst

Rachel MIU +852 36684191 rachel_miu@db.com

What's New?

- EV-related acquisitions expected to double up NEV sales ratio
- Zeekr EV business to cover a wide scope to compete more effectively with peers
- We expect 2H21 vehicle shipments to improve on better auto chip supply
- Maintain BUY with an HK\$30 TP

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2019A	2020A	2021F	2022F
Turnover	97,401	92,114	111,253	125,347
EBITDA	13,261	11,724	16,009	18,119
Pre-tax Profit	9,636	6,441	11,104	12,788
Net Profit	8,190	5,397	9,610	11,086
Net Pft (Pre Ex) (core profit)	8,190	5,397	9,610	11,086
Net Profit Gth (Pre-ex) (%)	(34.8)	(34.1)	78.1	15.4
EPS (RMB)	0.90	0.56	0.98	1.14
EPS (HK\$)	1.08	0.68	1.18	1.36
EPS Gth (%)	(35.5)	(37.4)	74.2	15.4
Diluted EPS (HK\$)	1.07	0.68	1.18	1.36
DPS (HK\$)	0.27	0.21	0.25	0.28
BV Per Share (HK\$)	6.75	7.57	8.59	9.76
PE (X)	22.2	35.4	20.3	17.6
CorePE (X)	22.2	35.4	20.3	17.6
P/Cash Flow (X)	14.5	119.8	17.0	14.7
P/Free CF (X)	18.8	nm	24.5	19.0
EV/EBITDA (X)	12.9	15.4	11.3	9.6
Net Div Yield (%)	1.1	0.9	1.0	1.2
P/Book Value (X)	3.6	3.2	2.8	2.5
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	17.1	9.7	15.0	15.2
Earnings Rev (%)			Nil	Nil
Consensus EPS (RMB)			0.86	1.10
Other Broker Recs:		B:36	S:3	H:5

Source of all data on this page: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters

Stepping on the electric paddle

Investment Thesis

New acquisitions to speed up electrification strategy. Geely is speeding up its EV business development under the high-end brand Zeekr, following multiple acquisitions worth over RMB 1.6bn. We expect doubling of the percentage of contribution from NEV sales to c.10% in 1-2 years, as the company is committed to raise the vehicle electrification rate.

Total EV solution is possible. Zeekr is to have upstream (power trains and battery system), assembly, EV charging, and auto finance to support its business operations. This should enable Zeekr to jump start new EV model development, production, and sales more quickly.

Expect sales to accelerate in 2H21. We expect vehicle sales to improve in 2H21 compared to 1H21 on better auto chip supply.

Valuation

Our new HK\$30 target price is pegged to an unchanged 25x FY21F PE.

Where we Differ

Our FY21-22F earnings estimates are more prudent. The long-term prospect is intact based on the progress of the new projects. However, due to the initial startup costs, our FY21/22F earnings are c.3-7% lower than consensus.

Key Risks to Our View

Severe overcapacity and further weakness in the Chinese economy could affect the company's sales volume and profit. Deterioration in the export markets may be a drag on earnings.

At A Glance

Issued Capital (m shrs)	9,817
Mkt Cap (HK\$/US\$m)	236,187 / 30,410
Major Shareholders (%)	
Proper Glory Holding, Inc.	26.8
Zhejiang Jirun Automobile Co., Ltd.	8.1
Free Float (%)	65.0
3m Avg. Daily Val. (US\$m)	221.64
GICS Industry: Consumer Discretionary / Automobiles & Components	



ed- AT/ sa- CS /AH



Live more, Bank less

Geely Automobile Holdings

WHAT'S NEW?

Acquiring EV assets to catch up with peers

New acquisitions. Geely announced several acquisitions to accelerate its EV expansion under the Zeekr brand. These acquisitions include the following:

1. CEVT (a 100% stake) for a cash consideration of SEK1,057.8m (approximately RMB 800m)
2. Haohan Energy (30%) for RMB 9m
3. A Ningbo Viridi (51% of enlarged share capital) share subscription of RMB 860.7m

Zeekr is a new high-end EV brand that Geely set up recently to position itself to ride on the consumption upgrading trend in China.

The total investment outlay is approximately RMB 1.67bn and would be funded with internal sources. The purchase considerations are fair, as they are largely based on net book values as of 30 April 2021, translating to 1-1.05x PBR.

Impact on Zeekr. We see CEVT and Ningbo Viridi having a more immediate impact on Zeekr operations. CEVT is principally engaged in automotive design, software system, vehicle modular architecture, smart EV, and mobility technology solutions. CEVT will enable Zeekr to step up its model rollout plans. CEVT is profitable, with after-tax profit of SEK183.2m in FY20. Based on the purchase consideration, it translates to historical PE of about 6x, reasonable in our opinion.

On the other hand, Ningbo Viridi is engaged in R&D of automotive components such as electric powertrain and battery systems, which are critical for EV applications.

Haohan Energy provides automobile charging systems and technologies, automobile charging services, and automobile charging points and networks. Easy access to EV charging is one of the primary considerations for consumers to switch to EVs.

In our view, the acquisitions should shorten the development phase and speed up new model rollouts and broaden its product portfolio. Zeekr will possess the automobile and EV-related technologies, covering EV development, electric powertrain, battery systems, and other automobile components in R&D and manufacturing.

Geely's EV business has been perceived as lagging behind peers in recent years and has underperformed the market. For instance, total volume sales fell over 40% y-o-y in FY20, while the overall EV market rose 13%. We expect the new acquisitions to enhance its market position, product range, and competitiveness compared to peers. Many Chinese automakers have rolled out models under their respective high-end EV brands such as Dongfeng Motor and Guangzhou Auto to tap the new growth potentials.

Besides, the new EV strategy is also important for Geely to fulfil its NEV dual credit requirements. In 2020, Geely Group posted negative NEV points of 107,157, owing to low NEV sales. Hence, Geely has to accelerate its EV business implementation to meet NEV regulations.

A-share listing could revisit in the future. Earlier, Geely announced its decision to withdraw the proposed listing on the Sci-Tech Board. We think Geely will likely reevaluate the possibility of listing on the A-share market once its EV business is built up, as the new EV assets acquisitions are expected to accelerate its scale expansion. Also, listing of a pure EV entity might be better and more exciting to the market. Currently, pure EV players are trading at 5-10x price-to-sales FY22F.

Vehicle sales could accelerate in 2H21 with expectation of higher auto chip supply. Geely 2Q21 vehicle sales have been dragged down by the slow auto chip supply. For June 2021, total vehicle sales fell 9% y-o-y (+10% vs June 2019) and as a result, 2Q21 sales growth were also down 9%. Apart from the base effect, we believe the chip shortage has also affected its productions and sales. We expect sales momentum to accelerate in 2H21 compared to 1H21, on expectation of higher auto chip supply.

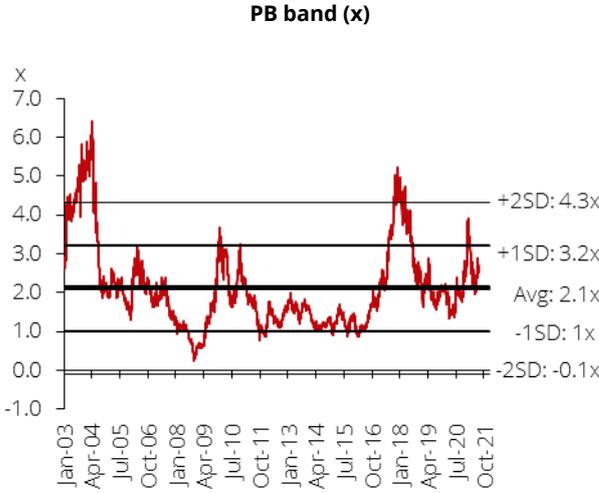
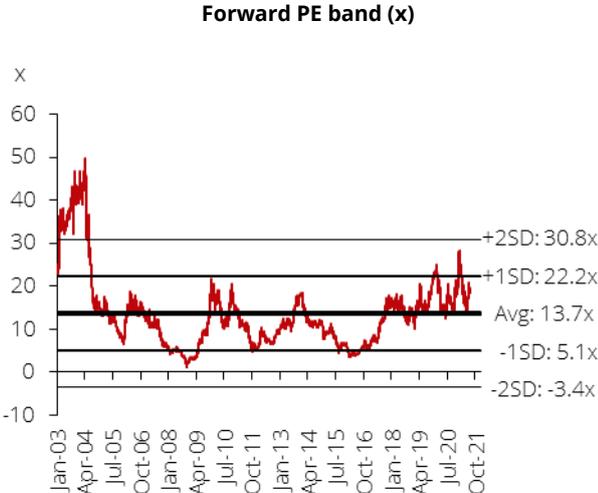
Hence, we maintain a BUY rating and an unchanged HK\$30 target price, pegged to an unchanged 25x FY21F PE.

Company Background

Geely Automobile Holdings Limited (Geely), through its subsidiaries, manufactures and sells automobiles and related components under the Geely and Lynk brands. To broaden its new energy vehicle (NEV) product offerings, Geely introduced the Geometry brand in 2019.

Geely Automobile Holdings

Historical PE and PB band



Source: Thomson Reuters, DBS HK

Geely Automobile Holdings

Key Assumptions

FY Dec	2018A	2019A	2020A	2021F	2022F
Car sales ('000 units)	1,380.4	1,233.5	1,144.8	1,316.5	1,448.1
Blended ASP (RMB/unit)	74,362.0	74,457.0	73,216.0	76,876.8	78,414.3

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Revenues (RMB m)					
Auto mobile sales	102,651	91,843	83,814	101,206	113,554
Parts & components	3,944	5,130	6,989	8,736	10,483
Licensing of IP	0	428	566	566	566
Others	N/A	N/A	745	745	745
Total	106,595	97,401	92,114	111,253	125,347

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Revenue	106,595	97,401	92,114	111,253	125,347
Cost of Goods Sold	(85,082)	(80,485)	(77,377)	(91,561)	(102,785)
Gross Profit	21,513	16,917	14,737	19,692	22,563
Other Opng (Exp)/Inc	(7,078)	(8,052)	(9,380)	(9,816)	(11,142)
Operating Profit	14,435	8,864	5,357	9,876	11,420
Other Non Opng (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	445	664	875	1,045	1,199
Net Interest (Exp)/Inc	79	108	208	182	169
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	14,959	9,636	6,441	11,104	12,788
Tax	(2,285)	(1,375)	(866)	(1,308)	(1,507)
Minority Interest	(121)	(72)	(41)	(49)	(59)
Preference Dividend	0	0	(137)	(137)	(137)
Net Profit	12,553	8,190	5,397	9,610	11,086
Net Profit before Except.	12,553	8,190	5,397	9,610	11,086
EBITDA	17,293	13,261	11,724	16,009	18,119
Growth					
Revenue Gth (%)	14.9	(8.6)	(5.4)	20.8	12.7
EBITDA Gth (%)	17.3	(23.3)	(11.6)	36.6	13.2
Opg Profit Gth (%)	13.1	(38.6)	(39.6)	84.4	15.6
Net Profit Gth (%)	18.1	(34.8)	(34.1)	78.1	15.4
Margins & Ratio					
Gross Margins (%)	20.2	17.4	16.0	17.7	18.0
Opg Profit Margin (%)	13.5	9.1	5.8	8.9	9.1
Net Profit Margin (%)	11.8	8.4	5.9	8.6	8.8
ROAE (%)	31.6	17.1	9.7	15.0	15.2
ROA (%)	14.2	8.2	4.9	8.3	8.8
ROCE (%)	28.6	14.0	7.2	11.9	12.1
Div Payout Ratio (%)	22.0	25.1	30.3	20.3	20.2
Net Interest Cover (x)	NM	NM	NM	NM	NM

Source: Company, DBS HK

Geely Automobile Holdings

Interim Income Statement (RMB m)

FY Dec	2H2018	1H2019	2H2019	1H2020	2H2020
Revenue	52,887	47,559	49,843	36,820	55,294
Cost of Goods Sold	(42,210)	(39,090)	(41,395)	(30,518)	(46,859)
Gross Profit	10,676	8,469	8,448	6,302	8,435
Other Oper. (Exp)/Inc	(3,960)	(4,102)	(3,951)	(4,196)	(5,184)
Operating Profit	6,716	4,367	4,497	2,106	3,251
Other Non Opg (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	206	349	315	446	430
Net Interest (Exp)/Inc	62	49	59	89	120
Exceptional Gain/(Loss)	0	0	0	1	1
Pre-tax Profit	6,984	4,765	4,872	2,641	3,802
Tax	(1,045)	(718)	(657)	(320)	(546)
Minority Interest	(55)	(38)	(34)	(23)	(18)
Net Profit	5,883	4,009	4,180	2,297	3,237
Net profit bef Except.	5,883	4,009	4,180	2,298	3,238

Growth

Revenue Gth (%)	(0.8)	(11.5)	(5.8)	(22.6)	10.9
Opg Profit Gth (%)	(10.3)	(43.4)	(33.0)	(51.8)	(27.7)
Net Profit Gth (%)	(6.5)	(39.9)	(28.9)	(42.7)	(22.6)

Margins

Gross Margins (%)	20.2	17.8	16.9	17.1	15.3
Opg Profit Margins (%)	12.7	9.2	9.0	5.7	5.9
Net Profit Margins (%)	11.1	8.4	8.4	6.2	5.9

Source: Company, DBS HK

Balance Sheet (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Net Fixed Assets	23,423	27,070	26,574	28,626	30,062
Invt in Associates & JVs	6,322	8,837	9,689	10,734	11,933
Other LT Assets	18,931	22,006	23,618	22,978	21,044
Cash & ST Invt	15,757	19,322	19,151	23,491	30,812
Inventory	4,097	4,821	3,691	4,429	5,093
Debtors	18,072	19,764	24,557	26,796	28,588
Other Current Assets	4,860	6,108	3,536	3,702	3,876
Total Assets	91,461	107,928	110,816	120,757	131,406
ST Debt	1,375	0	0	0	0
Creditors	25,205	31,525	29,861	30,159	30,461
Other Current Liab	17,180	17,002	12,026	12,710	12,925
LT Debt	2,048	4,149	3,909	4,709	5,509
Other LT Liabilities	278	327	806	806	806
Shareholder's Equity	44,944	54,436	63,631	71,741	81,014
Minority Interests	431	489	582	631	690
Total Cap. & Liab.	91,461	107,928	110,816	120,757	131,406
Non-Cash Wkg. Capital	(15,356)	(17,834)	(10,103)	(7,942)	(5,829)
Net Cash/(Debt)	12,333	15,172	15,242	18,782	25,302
Debtors Turn (avg days)	81.4	70.9	87.8	84.2	80.6
Creditors Turn (avg days)	123.2	134.9	155.8	126.7	113.7
Inventory Turn (avg days)	22.4	21.2	21.6	17.1	17.9
Asset Turnover (x)	1.2	1.0	0.8	1.0	1.0
Current Ratio (x)	1.0	1.0	1.2	1.4	1.6
Quick Ratio (x)	0.8	0.8	1.0	1.2	1.4
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	67.6	69.2	71.8	74.3	54.5
Z-Score (X)	3.9	3.2	3.2	3.4	3.4

Source: Company, DBS HK

Geely Automobile Holdings

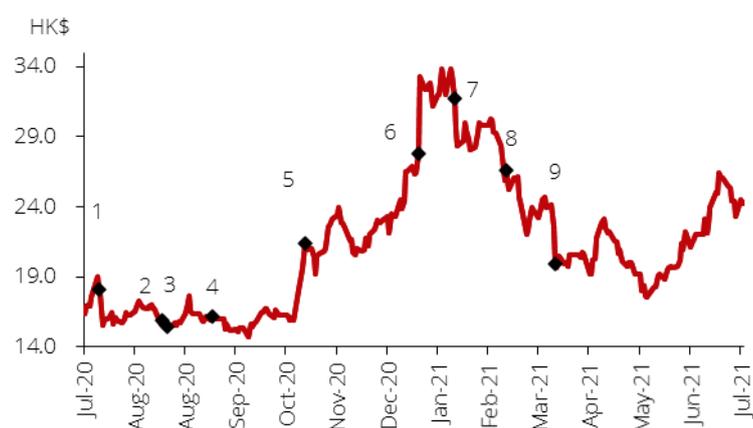
Cash Flow Statement (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Pre-Tax Profit	14,959	9,636	6,441	11,104	12,788
Dep. & Amort.	2,413	3,733	5,491	5,088	5,501
Tax Paid	(2,621)	(1,949)	(1,371)	(866)	(1,308)
Assoc. & JV Inc/(loss)	(445)	(664)	(875)	(1,045)	(1,199)
(Pft)/Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg.Cap.	(619)	1,977	(9,784)	(2,602)	(2,312)
Other Operating CF	237	(195)	1,695	(182)	(170)
Net Operating CF	13,925	12,538	1,597	11,495	13,300
Capital Exp.(net)	(2,313)	(2,873)	(2,807)	(3,500)	(3,000)
Other Invt.(net)	(3,063)	(1,589)	819	0	0
Invt in Assoc. & JV	0	0	0	0	0
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(5,943)	(6,330)	(3,443)	(2,639)	(1,627)
Net Investing CF	(11,319)	(10,791)	(5,430)	(6,139)	(4,627)
Div Paid	(2,161)	(2,806)	(2,058)	(1,637)	(1,949)
Chg in Gross Debt	0	688	800	800	800
Capital Issues	36	639	5,838	0	0
Other Financing CF	1,819	3,242	(819)	(179)	(204)
Net Financing CF	(306)	1,763	3,761	(1,016)	(1,354)
Currency Adjustments	23	34	(232)	0	0
Chg in Cash	2,323	3,544	(304)	4,340	7,320
Opg CFPS (RMB)	1.62	1.16	1.19	1.44	1.60
Free CFPS (RMB)	1.29	1.06	(0.13)	0.82	1.05

Source: Company, DBS HK

Geely Automobile Holdings

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	14-Jul-20	HK\$18.10	HK\$22.00	Buy
2:	18-Aug-20	HK\$15.64	HK\$20.00	Buy
3:	21-Aug-20	HK\$15.50	HK\$20.00	Buy
4:	15-Sep-20	HK\$15.96	HK\$20.00	Buy
5:	5-Nov-20	HK\$19.68	HK\$25.50	Buy
6:	7-Jan-21	HK\$26.45	HK\$ 30.00	Buy
7:	27-Jan-21	HK\$33.40	HK\$30.00	Buy
8:	25-Feb-21	HK\$25.90	HK\$35.00	Buy
9:	24-Mar-21	HK\$19.90	HK\$30.00	Buy

Source: DBS HK

Analyst: Rachel MIU

Geely Automobile Holdings

DBS HK recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 7 Jul 2021 16:30:56 (HKT)

Dissemination Date: 7 Jul 2021 16:36:20 (HKT)

Sources for all charts and tables are DBS HK unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

Geely Automobile Holdings

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in Geely Automobile Holdings Ltd (175 HK) recommended in this report as of 05 Jul 2021.
2. Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.
3. **Compensation for investment banking services:**
DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.
4. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

Geely Automobile Holdings

United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Bank (Hong Kong) Limited

13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

Geely Automobile Holdings

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Carol Wu

13th Floor One Island East,

18 Westlands Road, Quarry Bay, Hong Kong

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

MALAYSIA

AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek (128540 U)

19th Floor, Menara Multi-Purpose, Capital Square,

8 Jalan Munshi Abdullah 50100, Kuala Lumpur, Malaysia.

Tel.: 603 2604 3333

Fax: 603 2604 3921

e-mail: general@alliancedbs.com

Co. Regn No. 198401015984 (128540-U)

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua

12 Marina Boulevard,

Marina Bay Financial Centre Tower 3

Singapore 018982

Tel: 65 6878 8888

e-mail: groupresearch@dbs.com

Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif

DBS Bank Tower

Ciputra World 1, 32/F

Jl. Prof. Dr. Satrio Kav. 3-5

Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,

9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand