

Tingyi Holdings

Bloomberg: 322 HK EQUITY | Reuters: 0322.HK

Refer to important disclosures at the end of this report.

DBS Group Research . Equity

21 Jan 2022

BUY

Last Traded Price (20 Jan 2022): HK\$16.12 (HSI : 24,952)

Price Target 12-mth: HK\$18.10 (12% upside)

Analyst

Alison FOK +852 36684170 alisonfok@dbs.com

Mavis HUI +852 36684188 mavis_hui@dbs.com

Alice HUI CFA +852 36684182 alicehuidm@dbs.com

What's New

- Tingyi has reverted some of its earlier price hikes due to competitors not following suit in price increases
- Beverage sales to see further demand improving from water, carbonated beverages in FY22F
- Reiterate BUY, TP unchanged

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2019A	2020A	2021F	2022F
Turnover	61,978	67,618	74,008	78,524
EBITDA	9,083	10,029	9,661	10,028
Pre-tax Profit	5,412	6,532	6,224	6,939
Net Profit	3,331	4,062	3,934	4,410
Net Profit Gth (Pre-ex)(%)	35.2	22.0	(3.1)	12.1
EPS (RMB)	0.59	0.72	0.70	0.78
EPS (HK\$)	0.73	0.89	0.86	0.96
EPS Gth (%)	35.3	22.0	(3.1)	12.1
Diluted EPS (HK\$)	0.73	0.89	0.86	0.96
DPS (HK\$)	0.73	0.89	0.86	0.96
BV Per Share (HK\$)	4.27	4.61	4.58	4.69
PE (X)	22.2	18.2	18.8	16.7
P/Cash Flow (X)	9.4	8.6	10.0	12.7
P/Free CF (X)	12.2	11.5	12.6	17.3
EV/EBITDA (X)	8.0	7.0	7.0	6.6
Net Div Yield (%)	4.5	5.5	5.3	6.0
P/Book Value (X)	3.8	3.5	3.5	3.4
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE(%)	17.0	20.0	18.7	20.8

Earnings Rev (%)			Nil	Nil
Consensus EPS (RMB)			0.67	0.76
Other Broker Recs:		B:16	S:0	H:9

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

Stabilising growth

Investment Thesis

Instant noodles demand stabilising. In Jan'22, Tingyi had reverted some of its price hikes on mid-priced packets, and large packs as competitors did not follow suit in price hikes. That said, due to increased demand from COVID'19, 2H21 sales should see further stabilisation versus 1H21, and we forecast instant noodle sales to rise 4% in FY22F.

Beverage packaging mix adjustment. The strongest performers include coffee, water, and carbonated beverages within Tingyi's portfolio in FY21. The group is optimistic on Rmb2 sales growth whereas contribution (c.20% of total water sales) is likely to expand steadily, which should drive improvement in the gross profit margin. We forecast beverage sales to rise 7% in FY22F.

Strong cash position to sustain higher dividend payout. As of Jun'21, the net cash position stood at Rmb7.8bn (Dec'20: Rmb7.8bn). The group had announced a special dividend during interim results, driving overall dividend payout to exceed 150%. We believe the Group can sustain dividend payout >100% in the medium term, due to its strong cash position and lower capex needs.

Valuation:

We value Tingyi at 8x FY22F EV/EBITDA, equivalent to its three-year average.

Where we differ:

Our FY22F earnings is 4% higher than consensus estimate on margin recovery in instant noodles.

Key Risks to Our View:

Commodity prices such as palm oil, wheat, PET, and sugar, food safety concerns, and/or the number of COVID-19 cases.

At A Glance

Issued Capital (m shrs)	5,624
Mkt Cap (HK\$/US\$m)	90,659 / 11,643
Major Shareholders (%)	
Sanyo Foods Company Ltd.	33.4
Ting Hsin (Cayman Islands) Holding Corporation	33.4
Free Float (%)	33.1
3m Avg. Daily Val. (US\$m)	11.39
GICS Industry: Consumer Staples / Food, Beverage & Tobacco	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

Tingyi Holdings

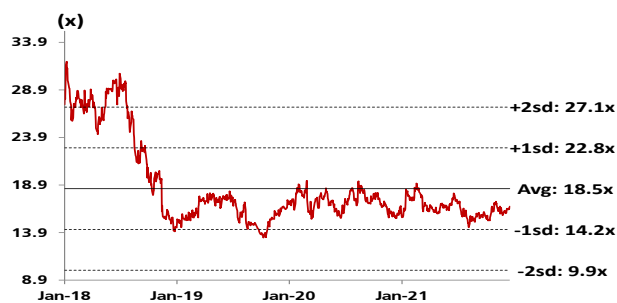
Company Background

Market leader in instant noodles and RTD tea. Tingyi is engaged in the production and distribution of instant noodles, beverages, and instant food products mainly under the Master Kong brand in China. The group commenced its instant noodle business in China in 1992 and expanded into beverages and instant food products in 1996. In March 2012, Tingyi formed a strategic alliance with PepsiCo, and became the exclusive manufacturer and distributor of Pepsi's non-alcoholic drinks in China.

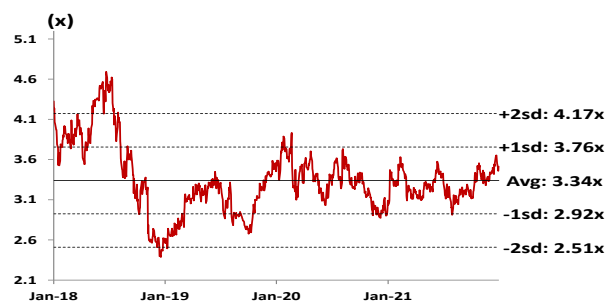
With a nationwide presence of around 365 sales offices serving 47,898 wholesalers and 210,366 direct retailers as of December 2020, Tingyi's network is one of the most extensive among peers. This makes the company an attractive partner for global brands. Apart from the Tingyi-Pepsi alliance, the company has also partnered with Starbucks to produce and sell RTD coffee in China starting from 2016.

Historical PE and PB band

Forward PE band (x)



PB band (x)



Source: Thomson Reuters, DBS HK

Tingyi Holdings

Segmental Breakdown (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Revenues (RMB m)					
Noodles	23,916	25,295	29,501	29,426	30,733
Beverages	35,311	35,580	37,266	43,774	46,942
Others	1,459	1,102	851	808	848
Total	60,686	61,978	67,618	74,008	78,524
Gross Profit (RMB m)					
Noodles	7,230	7,338	8,644	7,651	8,298
Beverages	11,038	11,987	13,393	15,321	16,899
Others	459	434	395	407	407
Total	18,727	19,759	22,432	23,378	25,604
Gross Profit Margins (%)					
Noodles	30.2	29.0	29.3	26.0	27.0
Beverages	31.3	33.7	35.9	35.0	36.0
Others	31.5	39.4	46.4	50.4	48.0
Total	30.9	31.9	33.2	31.6	32.6

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Revenue	60,686	61,978	67,618	74,008	78,524
Cost of Goods Sold	(41,958)	(42,219)	(45,186)	(50,629)	(52,920)
Gross Profit	18,727	19,759	22,432	23,378	25,604
Other Opng (Exp)/Inc	(14,398)	(14,168)	(15,682)	(16,894)	(18,415)
Operating Profit	4,329	5,591	6,750	6,484	7,189
Other Non Opg (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	72	234	130	140	149
Net Interest (Exp)/Inc	(422)	(414)	(349)	(400)	(400)
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	3,979	5,412	6,532	6,224	6,939
Tax	(1,251)	(1,693)	(1,958)	(1,743)	(1,943)
Minority Interest	(265)	(387)	(511)	(547)	(586)
Preference Dividend	0	0	0	0	0
Net Profit	2,463	3,331	4,062	3,934	4,410
EBITDA	7,725	9,083	10,029	9,661	10,028
Growth					
Revenue Gth (%)	2.9	2.1	9.1	9.4	6.1
EBITDA Gth (%)	3.4	17.6	10.4	(3.7)	3.8
Opg Profit Gth (%)	15.6	29.1	20.7	(3.9)	10.9
Net Profit Gth (%)	35.4	35.2	22.0	(3.1)	12.1
Margins & Ratio					
Gross Margins (%)	30.9	31.9	33.2	31.6	32.6
Opg Profit Margin (%)	7.1	9.0	10.0	8.8	9.2
Net Profit Margin (%)	4.1	5.4	6.0	5.3	5.6
ROAE (%)	12.9	17.0	20.0	18.7	20.8
ROA (%)	4.6	6.0	6.8	6.2	6.7
ROCE (%)	8.1	10.6	12.2	11.5	12.6
Div Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Interest Cover (x)	10.3	13.5	19.4	16.2	18.0

Source: Company, DBS HK

Tingyi Holdings

Interim Income Statement (RMB m)

FY Dec	1H2019	2H2019	1H2020	2H2020	1H2021
Revenue	30,495	31,483	32,934	34,683	N/A
Cost of Goods Sold	(20,759)	(21,460)	(21,925)	(23,261)	N/A
Gross Profit	9,736	10,023	11,010	11,422	N/A
Other Oper. (Exp)/Inc	(7,250)	(6,918)	(7,256)	(8,426)	N/A
Operating Profit	2,486	3,105	3,754	2,996	N/A
Other Non Opg (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	271	(37)	125	5	N/A
Net Interest (Exp)/Inc	(206)	(208)	(214)	(134)	N/A
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	2,551	2,860	3,665	2,867	N/A
Tax	(749)	(944)	(1,012)	(947)	N/A
Minority Interest	(299)	(88)	(273)	(238)	N/A
Net Profit	1,503	1,828	2,380	1,682	N/A

Growth

Revenue Gth (%)	(1.6)	6.0	8.0	10.2	N/A
Opg Profit Gth (%)	17.1	40.7	51.0	(3.5)	N/A
Net Profit Gth (%)	15.0	58.0	58.4	(8.0)	N/A

Margins

Gross Margins (%)	31.9	31.8	33.4	32.9	N/A
Opg Profit Margins (%)	8.2	9.9	11.4	8.6	N/A
Net Profit Margins (%)	4.9	5.8	7.2	4.8	N/A

Source: Company, DBS HK

Balance Sheet (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Net Fixed Assets	24,928	23,014	21,935	20,469	19,350
Invt in Associates & JVs	0	0	0	0	0
Other LT Assets	7,168	9,508	10,896	12,149	13,557
Cash & ST Invt	13,840	17,430	21,431	24,013	25,118
Inventory	2,652	3,445	3,348	3,751	3,921
Debtors	4,415	4,562	3,922	4,555	5,061
Other Current Assets	0	0	0	0	0
Total Assets	53,003	57,960	61,531	64,937	67,006
ST Debt	6,462	7,454	5,891	5,891	5,891
Creditors	15,477	18,639	18,226	21,584	22,560
Other Current Liab	1,946	2,214	2,954	2,761	2,985
LT Debt	4,373	4,920	7,805	7,805	7,805
Other LT Liabilities	1,133	1,686	1,915	2,011	2,111
Shareholder's Equity	19,653	19,579	21,113	20,985	21,460
Minority Interests	3,959	3,468	3,627	3,900	4,193
Total Cap. & Liab.	53,003	57,960	61,531	64,937	67,006
Non-Cash Wkg. Capital	(10,356)	(12,846)	(13,910)	(16,039)	(16,564)
Net Cash/(Debt)	3,006	5,056	7,735	10,317	11,421
Debtors Turn (avg days)	10.3	10.1	9.7	9.7	9.7
Creditors Turn (avg days)	134.6	164.2	155.6	155.6	155.6
Inventory Turn (avg days)	23.1	29.8	27.0	27.0	27.0
Asset Turnover (x)	1.1	1.1	1.1	1.2	1.2
Current Ratio (x)	0.9	0.9	1.1	1.1	1.1
Quick Ratio (x)	0.8	0.8	0.9	0.9	1.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	12.5	14.4	15.7	11.4	11.4
Z-Score (X)	2.8	2.6	2.6	2.6	2.6

Source: Company, DBS HK

Tingyi Holdings

Cash Flow Statement (RMB m)

FY Dec	2018A	2019A	2020A	2021F	2022F
Pre-Tax Profit	3,979	5,412	6,532	6,224	6,939
Dep. & Amort.	3,210	3,251	3,142	3,031	2,683
Tax Paid	(1,555)	(1,344)	(1,529)	(1,958)	(1,743)
Assoc. & JV Inc/(loss)	(72)	(234)	(130)	(140)	(149)
(Pft)/ Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg.Cap.	1,757	928	756	1,186	(982)
Other Operating CF	(352)	(182)	(217)	(928)	(918)
Net Operating CF	6,968	7,831	8,554	7,415	5,829
Capital Exp.(net)	(1,359)	(1,788)	(2,147)	(1,565)	(1,565)
Other Invt.(net)	2,499	(754)	(1,955)	0	0
Invt in Assoc. & JV	0	0	0	0	0
Div from Assoc & JV	414	1,137	1,213	1,068	1,068
Other Investing CF	0	0	0	0	0
Net Investing CF	1,555	(1,405)	(2,889)	(497)	(497)
Div Paid	(1,070)	(2,601)	(3,730)	(4,336)	(4,228)
Chg in Gross Debt	(3,987)	1,427	(1,074)	0	0
Capital Issues	40	46	4	0	0
Other Financing CF	15	(1,721)	3,169	0	38
Net Financing CF	(5,002)	(2,849)	(1,631)	(4,335)	(4,190)
Currency Adjustments	35	12	(33)	0	0
Chg in Cash	3,556	3,590	4,001	2,582	1,143
Opg CFPS (RMB)	0.93	1.23	1.39	1.11	1.21
Free CFPS (RMB)	1.00	1.07	1.14	1.04	0.76

Source: Company, DBS HK

Tingyi Holdings

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	27-Jan-21	HK\$13.90	HK\$16.50	Buy
2:	23-Mar-21	HK\$15.14	HK\$16.40	Hold
3:	16-Nov-21	HK\$16.06	HK\$18.10	Buy

Source: DBS HK

Analyst: Alison FOK

Mavis HUI

Alice HUI CFA

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: 21 Jan 2022 09:29:38 (HKT)

Dissemination Date: 21 Jan 2022 14:37:33 (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.

Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

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 Tingyi Cayman Islands Holding Corp (322 HK) recommended in this report as of 19 Jan 2022.
2. **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.
3. **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 on page 1 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>DBS Bank Ltd, 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, 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.

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) Limited13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

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

Tingyi 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