

China Pork Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity

25 Feb 2022

Play on rising inflation

- Potential rebound in hog prices by 2H22-2023, plus gradual improvement in feed cost and operating efficiency point to a better margin outlook
- Accelerated industry consolidation should also favour players that would benefit from large-scale farming
- We upgrade [COFCO Joycome](#) from HOLD to BUY

Sequential improvement. While lower hog prices in China over the past months have put pressure on hog producers and accelerated market consolidation, we expect prices to gradually recover to RMB18-20/kg by 2H22-2023 (Feb 2022: RMB14.7/kg) given the steady decline in sow inventory across the industry. The current breakeven hog price at about RMB15/kg also signals better profitability for upstream players during 2H22, in our view. Leading hog producers have also increasingly leveraged on hedging strategies to mitigate impact of the hog price cycle. Continual expansion of production scale could also further unlock the advantages of large-scale farming.

Sensitivity analysis. As prices of key feed components (e.g., soybean meal and corn) could stay high this year, government intervention might result in a more normalized feed supply to help moderate the cost impact going forward. Besides, some major hog producers are also proactively adjusting their feed composition with substitutes (e.g., wheat and paddy that have more stable price trends) to minimise the cost impact. COFCO Joycome may also benefit from the strong sourcing power of parent company COFCO. Based on our sensitivity analysis, every 1% drop in average feed costs points to a 3%/4% increase in gross/net profit of COFCO Joycome, suggesting an improving outlook in 6-12 months.

Large gets larger. The Top-6 players in China's hog farming sector will account for an estimated 15%+ market share in 2022 (2021: 12.8%), and we see ample room for them to scale-up. We also expect efficiency improvement, brought about by expanding operating scale, and less volatile price cycles along with effective production planning by large-scale operators. Their strategic expansion towards feed sources as well as mid to downstream operations should also provide better growth opportunities, leading to stronger financial performance over the medium run.

HSI: 22,902

ANALYST

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Recommendation & valuation

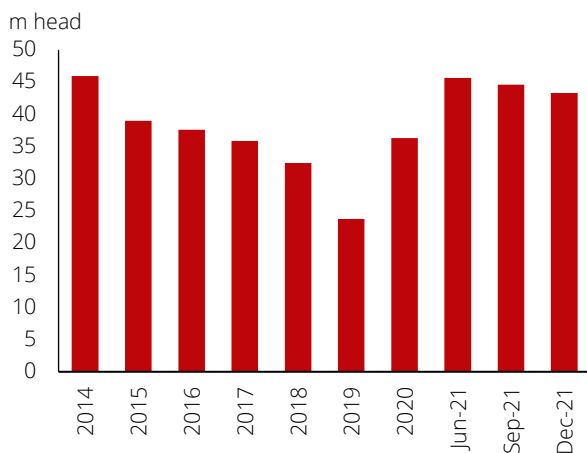
Company Name		Price Local \$	Target Price Local\$	Reco m	Mkt Cap US\$m	PE 23F x
COFCO Joycome Foods* (1610 HK)	HKD	3.36	4.13	BUY	1,679	6.5
Muyuan Foods (002714 CH)	CNY	56.60	n.a.	NR	47,060	10.0
New Hope Liuhe (000876 CH)	CNY	15.43	n.a.	NR	10,983	13.8

Source: Thomson Reuters, *DBS Bank (Hong Kong) Limited ("DBS HK")



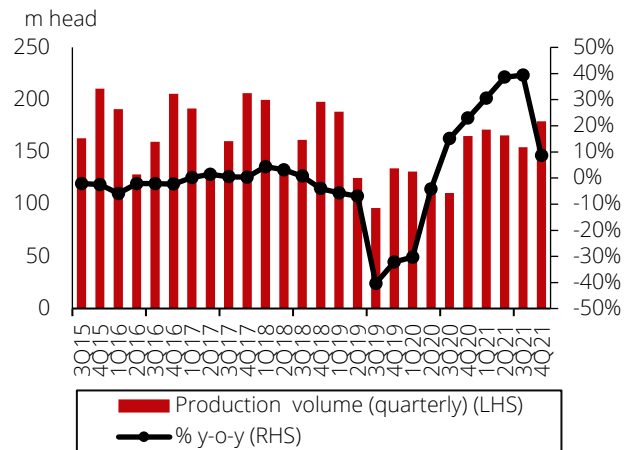
Price recovery ahead. 2021 was a challenging year for hog producers in China, seeing live hog and pork prices falling since Feb 2021, and reached a bottom in Oct 2021 after declining by nearly 70% from the peak. While lower selling prices have put pressure on the pork sector, we expect hog and pork prices to stay low in the next 2-3 months on reduced demand post Chinese New Year plus a supportive supply in the sector. However, sow inventory volume in the industry has been on a steady decline since reaching a peak in Jun 2021, to 43m+ heads as of end of 2021, c.6%/17% higher than the recommended/minimum volume suggested by the Ministry of Agriculture and Rural Affairs (MARA). The declining sow inventory along with slowing growth of slaughtering volume might lead to a price recovery in 2H22, as the time lag between industry sow volume and hog price is around 10-12 months based on the hog production period.

Sow inventory trend



Source: NBS, WIND

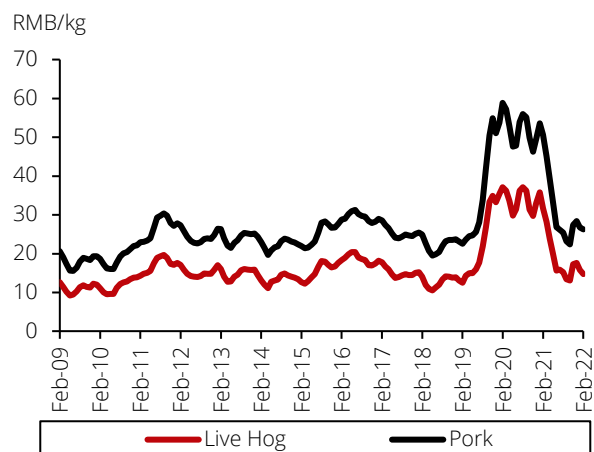
Slaughtering volume trend



Source: NBS, WIND

We currently estimate live hog prices to bottom out and see a turnaround in Apr-May 2022 from a low of RMB10-12/kg with reference to historical cycles. Riding on the rebalancing of market supply and demand, live hog prices may get back to RMB18-20/kg in 2H22 to 2023.

Live hog and pork price trend



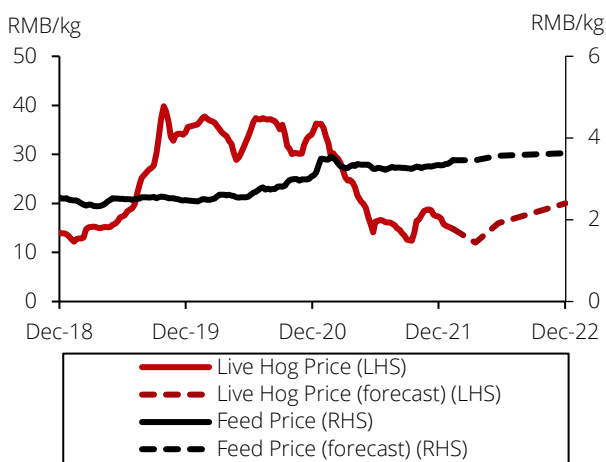
Source: NBS, WIND

The current breakeven hog price is slightly above RMB15/kg, based on feed cost and efficiency ratio according to the National Development and Reform Commission (NDRC). As such, with prices going above breakeven point, the industry may see better profitability from 2H22 onwards to benefit from the price recovery ahead.

To better cope with price fluctuation, leading hog producers like Muyuan, New Hope and COFCO Joycome have also formulated their hedging strategies, entering into hog futures contracts that were launched in China in Jan 2021 to partially mitigate the risks of movements in hog and pork prices. While some players have yet to enter the futures market, COFCO Joycome, by leveraging on COFCO Futures' expertise in futures trading, is an early mover in hog futures, with a hedging coverage ratio as high as 90% of its hog production volume, which should allow it to smoothen the price cycle. Going forward, we believe leading players are likely to expand their exposure to hog futures hedging to help stabilise their profits.

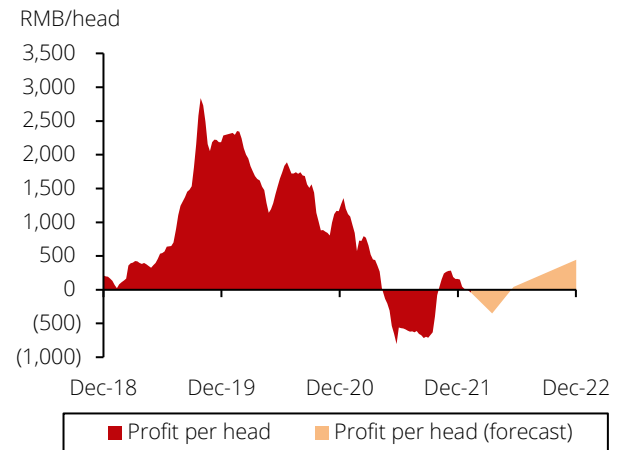
Feed costs remain challenging but under control. Feed costs have stayed at a high level since early 2021 while hog and pork prices have been through significant drops. With the current feed cost and hog price, hog producers are likely to suffer a loss in 1Q22 but should see sequential improvement once the hog price bottoms out.

Hog price vs. feed costs



Source: NDRC, DBS HK

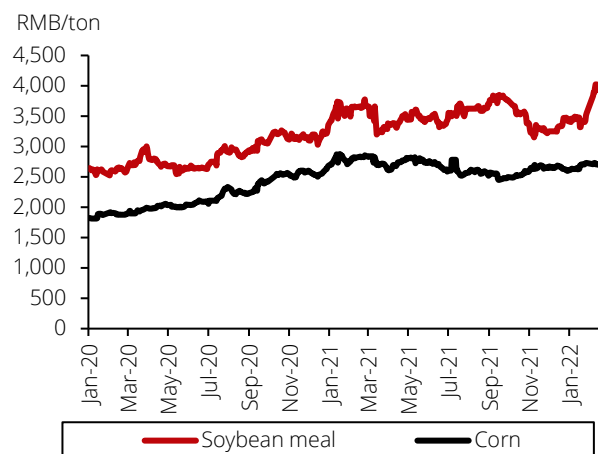
Estimated profit/(loss) per head



Source: NDRC, DBS HK

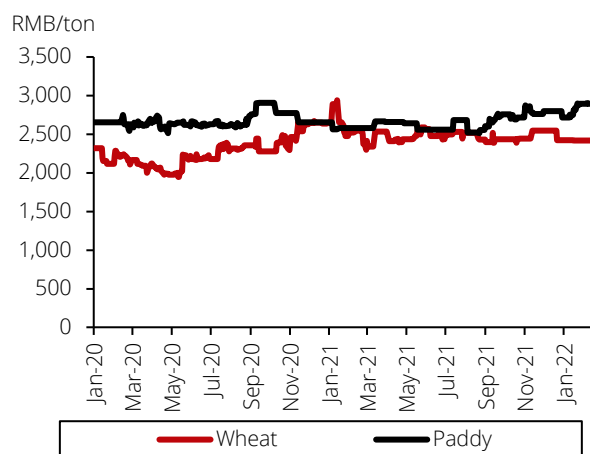
While feed prices (largely corn and soybean meal) may remain at a high level in 2022, we expect cost pressure to be under control on normalising supply and the government's intervention. As such, soybean meal and corn prices may rise at a low- to mid-single digit rate in 2022 and possibly see a mild decrease in 2023. Also, faced with continued high feed prices, leading hog producers, as suggested by MARA, have started to proactively adjust the feed composition with effective substitutes (e.g., wheat and paddy which have more stable price trends) in order to mitigate cost pressures. As such, major hog producers could see an overall flattish cost per unit in 2022/23. For example, the average hog production cost of COFCO Joycome should be well managed at c.RMB15/kg in 2022/23, while market leader Muyuan may aim at an overall unit cost that is as low as RMB13/kg. Moreover, effective hedging strategies carried out by top market players on feed commodities may also support better cost control going forward.

Feed cost trend (soybean meal and corn)



Source: Dalian Commodity Exchange, CEIC, DBS HK

Feed cost trend - substitutes (wheat and paddy)

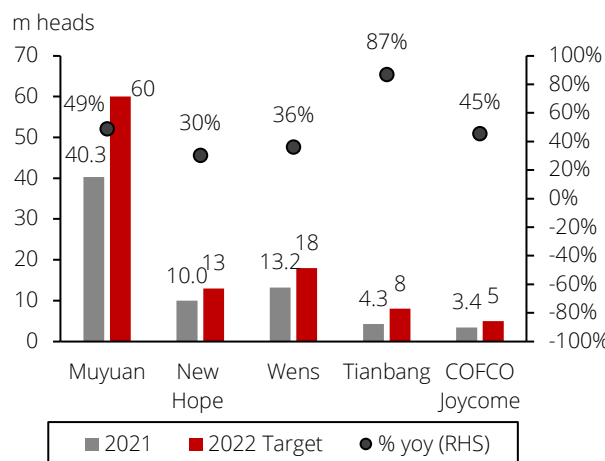


Source: Zhengzhou Commodity Exchange, CEIC, DBS HK

With other factors unchanged, we forecast COFCO Joycome to likely see 3%/4% increase in gross/net profit should average feed costs dip by 1% versus our expectations in 2022, and vice versa. At the same time, leading market players, like Muyuan, that enjoy upstream integration with their feed production business may see lower feed cost pressure vs. peers. COFCO Joycome may also benefit from the strong sourcing power of parent company COFCO.

Continuing expansion among top players. While the industry may reduce overall production capacity due to the recent low hog prices, large-scale players are still planning to expand production in 2022 with volume growth ranging from 30% to 87%. We believe, after going through the recent loss-making period, the pork sector is likely to see the elimination of more small-scale operators from the market and faster consolidation, with Top-6 hog producers to account for an estimated 15%+ market share in 2022 (2021: 12.8%). We believe Muyuan, as the no.1 hog producer in China with production capacity of c.70m heads as of Dec 2021, would continue to expand production capacity and increase its market share in the mid- to long-term to remain as the market leader. COFCO Joycome also has a hog production volume target of 10m heads by 2025, nearly triple that of 2021. With market consolidation ahead, we believe the sector should see continuing improvement in scale efficiency and more stabilised price cycles due to effective production planning by large-scale operators.

Production target of major hog producers



Source: Companies, news reports, DBS HK estimates

Up- and downstream integration to improve efficiency. As feed cost has become the main cost driver for hog production given the price volatility, leading players like Muyuan are focusing on upstream consolidation and have achieved self-sufficient feed production capacity to better manage feed cost pressure. New Hope, the largest feed producer in China, should also benefit from the upstream integration of its hog production business. At the same time, the industry is also looking at expanding downstream capacity to improve operating efficiency and capture more

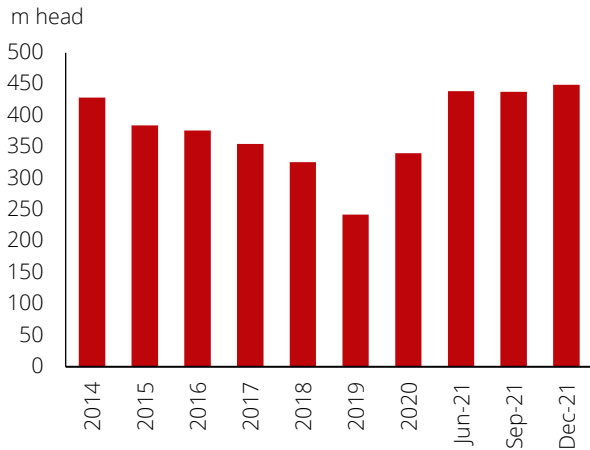
China Pork Sector

market share. For example, Muyuan has continued to expand its slaughtering capacity in Northern China, targeting at a slaughtering capacity of 35m+ heads, while Wens and New Hope also plan to rapidly increase their slaughtering capacity, with a target of covering 20% of their hog production volume in the long run. COFCO Joycome also aims at a slaughtering capacity of 6m heads by 2025. With ongoing downstream integration, hog producers should be able to see better growth opportunities in both revenue and earnings in the long run.

Riding on continual slaughtering expansion, hog producers like COFCO Joycome are also placing more emphasis on

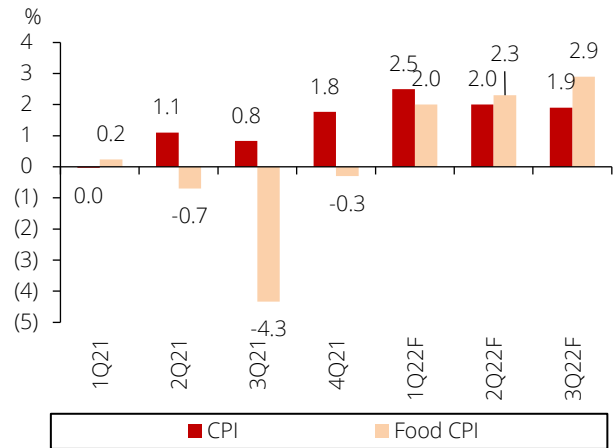
branded meat (rather than plain pork), especially in premium brands, to achieve better profitability. For example, COFCO Joycome's latest featured brand for linseed-fed pork could contribute a gross profit of close to 30%, as compared to c.8% from the overall fresh pork business. COFCO Joycome is also expanding its distribution network, including direct supplies to hypermarket chains, restaurants, and self-operated stores, and promoting sales of its branded meat to help further beef up its margins across the fresh pork business.

Hog inventory trend



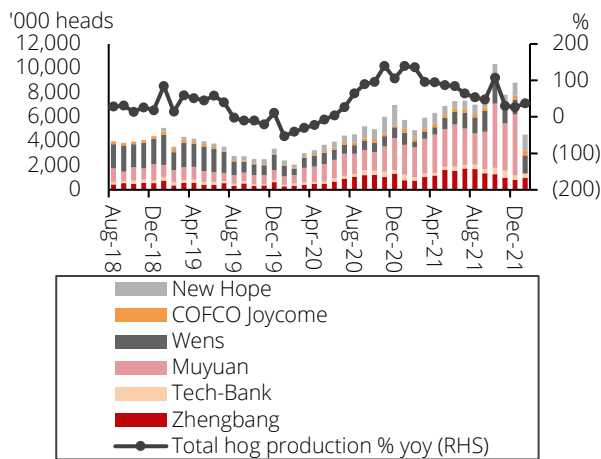
Source: NBS, WIND, DBS HK

CPI inflation in China



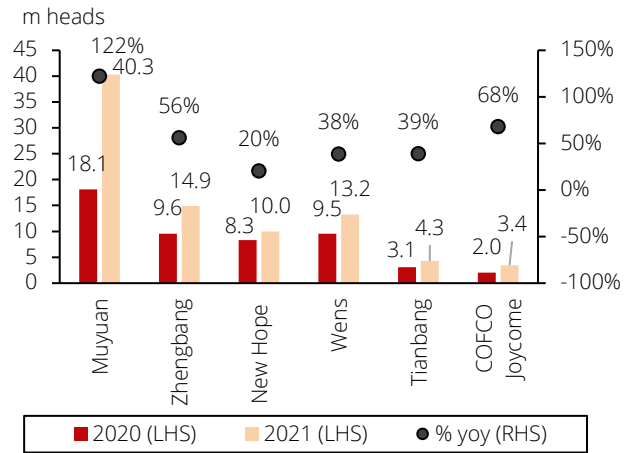
Source: NBS, Trading Economics, DBS HK

Monthly hog production volume



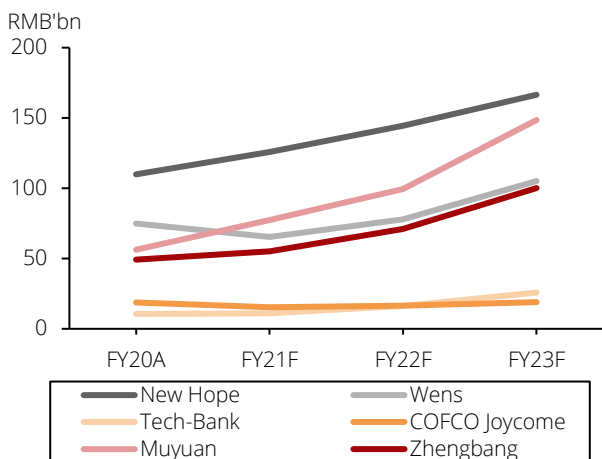
Source: Company data, DBS HK
(Muyuan up to Dec'21 data)

Production expansion of top market players



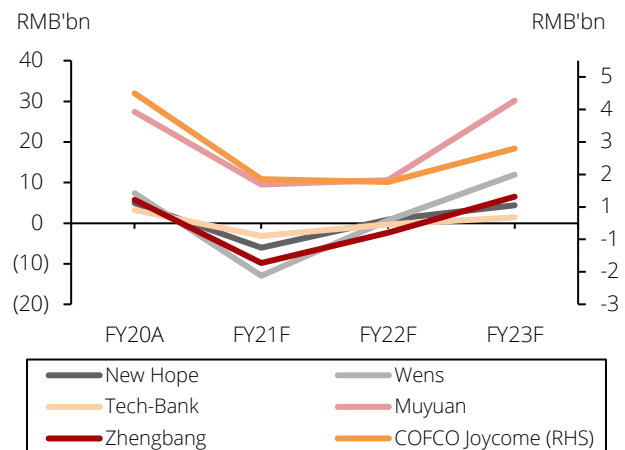
Source: Company data, DBS HK

Consensus – revenue



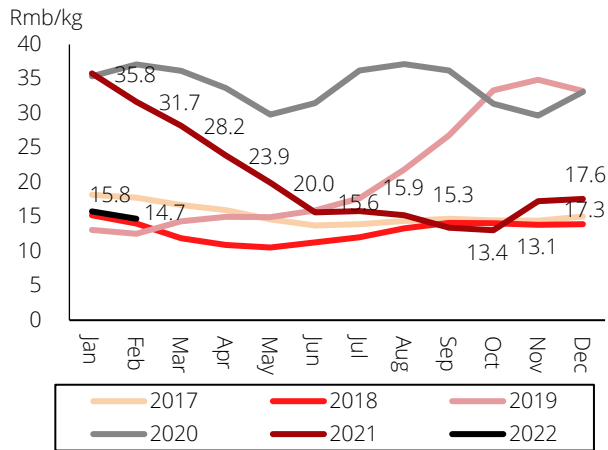
Source: Bloomberg Financial L.P., DBS HK

Consensus - earnings



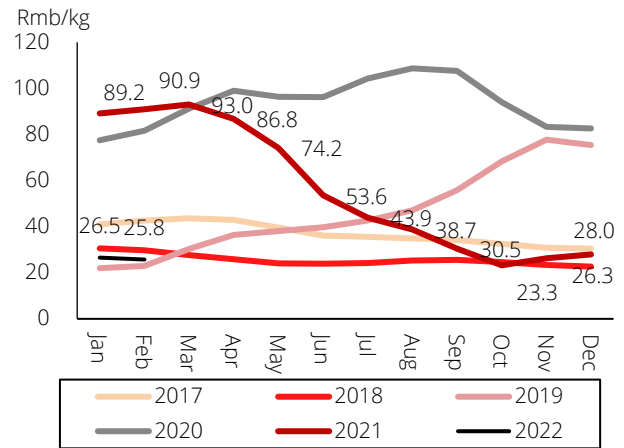
Source: Bloomberg Financial L.P., DBS HK

Industry live hog prices



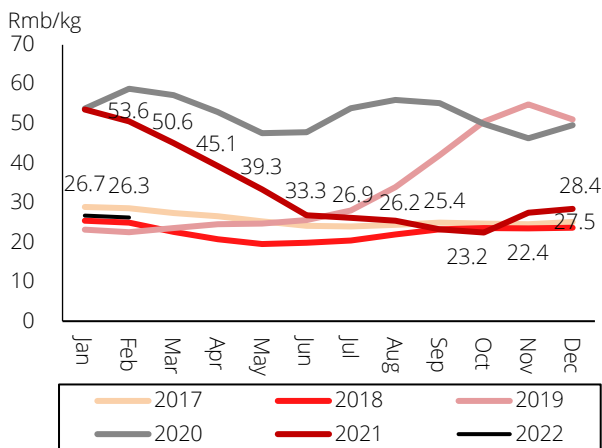
Source: MARA, WIND, DBS HK

Industry piglet prices



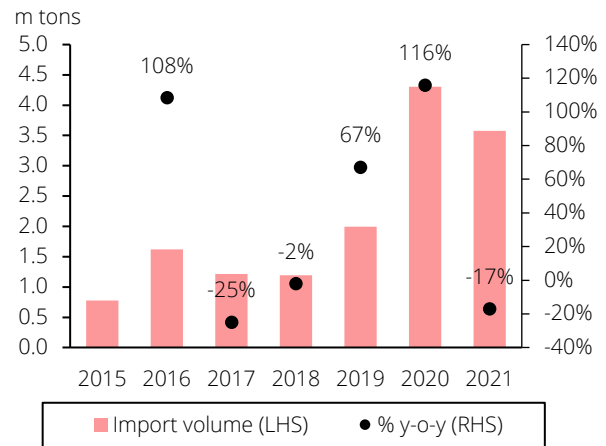
Source: MARA, WIND, DBS HK

Industry pork prices



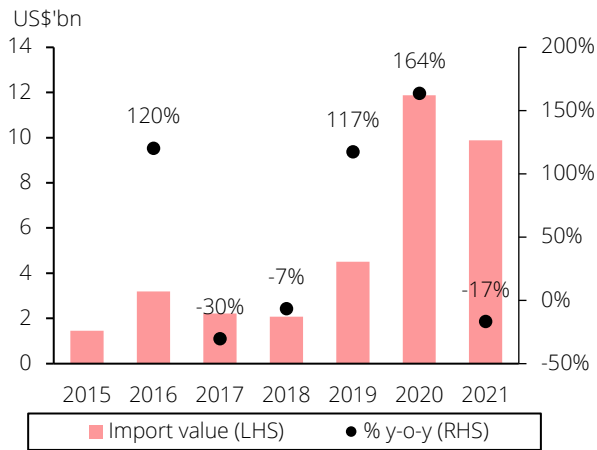
Source: MARA, WIND, DBS HK

Import volume (excluding by-products)



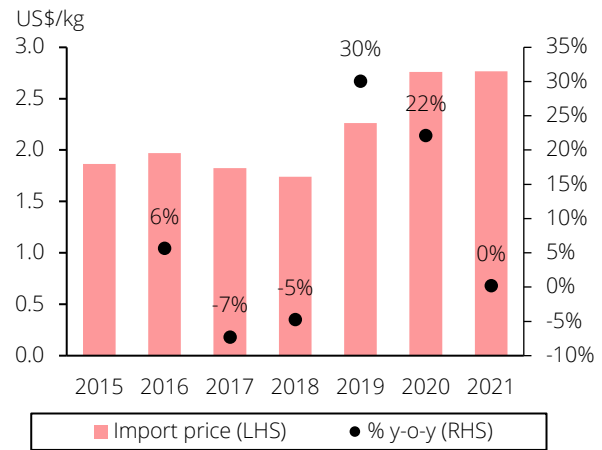
Source: China Customs, WIND, DBS HK

Pork import value



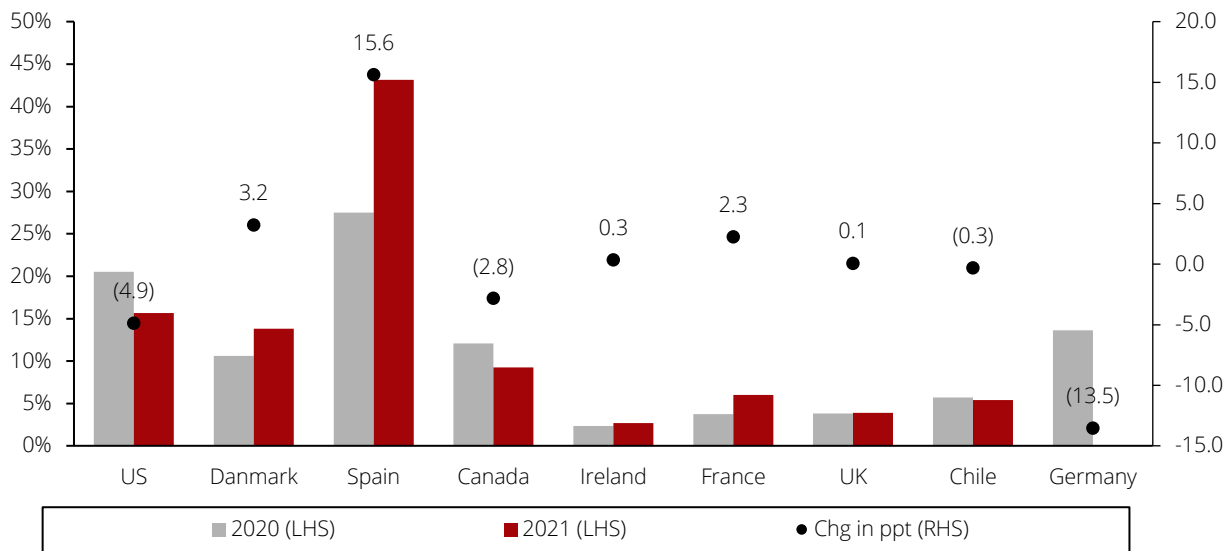
Source: China Customs, WIND, DBS HK

Import pork prices



Source: China Customs, WIND, DBS HK

Import volume breakdown by country (%)



Source: China Customs, WIND, DBS HK

China / Hong Kong Company Update

COFCO Joycome Foods Ltd

Bloomberg: 1610 HK Equity | Reuters: 1610.HK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

25 Feb 2022

BUY (Upgrade from HOLD)

Last Traded Price (24 Feb 2022): HK\$3.36 (HSI : 22,902)
Price Target 12-mth: HK\$4.13 (23% upside) (Prev HK\$3.40)

Analyst

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What's New

- Hog price may bottom out in 1H22 while feed cost should face less pressure going forward
- Ongoing production expansion with FY25 target of 10m heads (FY22/F23 expected volume: 4.5m/5.5m heads)
- Upgrade to BUY with new TP of HK\$4.13 in view of better price recovery and profitability by 2H22

Better recovery ahead

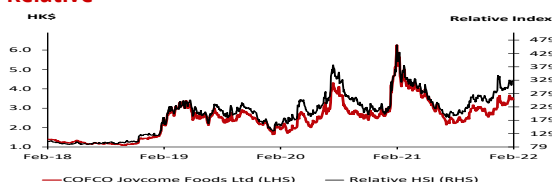
Investment Thesis

Hog price to recover in 2H22. Live hog prices may bottom out in 1H22 to reach Rmb18-20/kg from 2H22 to FY23, well above the current breakeven level of c.RMB15/kg, as a result of potential declines in industry supplies. We believe COFCO Joycome should see better recovery of sales and profitability by 2H22.

Feed cost to come under control. While we anticipate feed prices may increase by a low- to mid-single digit rate in FY22, the overall impact on COFCO Joycome's profit margins should be better managed by utilizing cheaper substitutes in feed composition.

Continuing growth. We believe COFCO Joycome may hit a production volume of 4.5m heads in FY22, and continues to expand to a 10m-head target by FY25. Ongoing focus on branded products and processed meat will enhance margins and earnings growth potentials in the long run.

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2020A	2021F	2022F	2023F
Turnover	18,922	16,597	18,770	20,509
EBITDA	4,067	1,840	1,757	2,234
Pre-tax Profit	2,823	1,335	1,252	1,729
Net Profit	2,881	1,264	1,182	1,643
Net Pft (Pre Ex) (core profit)	3,584	1,264	1,182	1,643
Net Profit Gth (Pre-ex) (%)	578.0	(56.1)	(6.5)	39.0
EPS (RMB)	0.74	0.32	0.30	0.42
EPS (HK\$)	0.91	0.40	0.37	0.52
Core EPS (RMB)	0.92	0.32	0.30	0.42
Core EPS (HK\$)	1.14	0.40	0.37	0.52
EPS Gth (%)	578.0	(56.1)	(6.5)	39.0
Core EPS Gth (%)	743.2	(64.7)	(6.5)	39.0
Diluted EPS (HK\$)	0.91	0.40	0.37	0.52
DPS (HK\$)	0.34	0.15	0.11	0.16
BV Per Share (HK\$)	2.98	3.10	3.32	3.73
PE (X)	3.7	8.4	9.0	6.5
CorePE (X)	3.0	8.4	9.0	6.5
P/Cash Flow (X)	3.6	2.8	5.3	4.5
P/Free CF (X)	8.5	5.2	27.4	13.7
EV/EBITDA (X)	4.6	9.6	10.2	7.9
Net Div Yield (%)	10.1	4.5	3.3	4.6
P/Book Value (X)	1.1	1.1	1.0	0.9
Net Debt/Equity (X)	0.8	0.7	0.7	0.6
ROAE(%)	37.3	13.2	11.7	14.8
Earnings Rev (%)		(20)	8	10
Consensus EPS (RMB)		0.43	0.36	0.63
Other Broker Recs:		B:9	S:0	H:5

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

Valuation:

We revised up FY22/FY23 revenue by 4%/8% and earnings by 8%/10% in view of better operating environment and profitability ahead. We value COFCO Joycome at HK\$4.13/share based on DCF valuation (WACC at 9%, terminal growth at 3%).

Where we differ:

We expect margins to recover gradually, from hog price recovery by 2H22 to FY23 and growing hog production volume.

Key Risks to Our View:

Fluctuation in hog and corn prices; changes in hog supplies

At A Glance

Issued Capital (m shrs)	3,902
Mkt Cap (HK\$/US\$m)	13,111 / 1,679
Major Shareholders (%)	
COFCO Corporation	29.1
Free Float (%)	70.9
3m Avg. Daily Val. (US\$m)	15.68
GICS Industry: Consumer Staples / Food, Beverage & Tobacco	



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COFCO Joycome Foods Ltd

Company Background

COFCO Joycome's operations comprise feed production, hog production, slaughtering and cutting, the production, distribution and sale of fresh pork and processed meat products, and the import and distribution of meat products (including pork, beef, poultry and mutton). The company operates under two key brands, namely "Joycome" for chilled pork and "Maverick" for low-temperature meat products.

COFCO Joycome's hog production bases are located in Jilin, Inner Mongolia, Tianjin, Hebei, Henan, Jiangsu, and Hubei

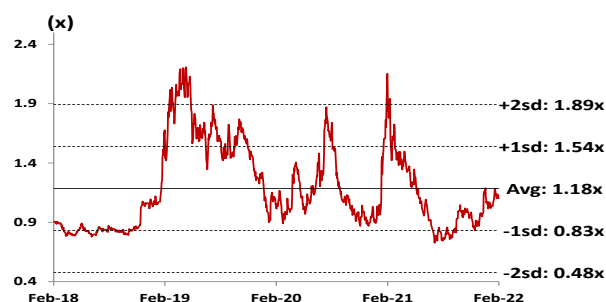
with plans to expand its production capacity. For fresh pork, the group owns two modern slaughtering and processing bases in Jiangsu and Hubei and is currently in the process of building bases in Hubei, Inner Mongolia and Jilin. Its "Joycome" brand is mainly marketed in high-consumption-per-capita areas such as Shanghai, Yangtze River Delta, Beijing, and Wuhan. For processed meat, the group owns three meat product processing bases in Jiangsu, Hubei, and Guangdong.

Historical PE and PB band

Forward PE band (x)



PB band (x)



Source: Thomson Reuters, DBS HK

COFCO Joycome Foods Ltd
Key Assumptions

FY Dec	2019A	2020A	2021F	2022F	2023F
Hog price (Rmb/kg)	16.2	32.3	24.0	20.0	20.0
Corn price (Rmb/kg)	2.0	2.0	2.0	2.0	2.0
Average finish weight (kg)	110.0	120.0	120.0	115.0	115.0
Production volume (m head)	2.0	2.0	3.4	4.5	5.5

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Revenues (RMB m)					
Hog production	3,505	6,339	6,401	8,798	10,753
Fresh Pork	3,217	3,704	4,301	4,129	3,964
Processed meat	447	693	787	787	787
Imported meat	5,157	9,252	5,107	5,056	5,005
Inter-segment	0	0	0	0	0
Total	11,079	18,922	16,597	18,770	20,509
Segment result (RMB m)					
Hog production	277	3,877	1,345	1,294	1,771
Fresh Pork	83	(118)	(1)	(2)	(2)
Processed meat	(11)	(71)	(20)	(20)	(20)
Imported meat	103	(536)	132	100	100
Total	453	3,151	1,455	1,372	1,849
Segment result Margins (%)					
Hog production	7.9	61.2	21.0	14.7	16.5
Fresh Pork	2.6	(3.2)	0.0	0.0	0.0
Processed meat	(2.4)	(10.3)	(2.5)	(2.5)	(2.5)
Imported meat	2.0	(5.8)	2.6	2.0	2.0
Total	3.7	15.8	8.8	7.3	9.0

Source: Company, DBS HK

COFCO Joycome Foods Ltd
Income Statement (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Revenue	11,079	18,922	16,597	18,770	20,509
Cost of Goods Sold	(10,986)	(18,736)	(14,551)	(16,705)	(17,942)
Gross Profit	93	187	2,046	2,065	2,567
Other Opng (Exp)/Inc	452	3,496	(590)	(693)	(718)
Operating Profit	545	3,683	1,455	1,372	1,849
Other Non Opng (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	0	0	0	0	0
Net Interest (Exp)/Inc	(162)	(156)	(120)	(120)	(120)
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	(703)	0	0	0
Pre-tax Profit	383	2,823	1,335	1,252	1,729
Tax	(9)	87	(40)	(38)	(52)
Minority Interest	52	(30)	(31)	(33)	(34)
Preference Dividend	0	0	0	0	0
Net Profit	425	2,881	1,264	1,182	1,643
Net Profit before Except.	425	3,584	1,264	1,182	1,643
EBITDA	855	4,067	1,840	1,757	2,234
Growth					
Revenue Gth (%)	54.5	70.8	(12.3)	13.1	9.3
EBITDA Gth (%)	363.0	375.5	(54.8)	(4.5)	27.1
Opg Profit Gth (%)	(775.7)	576.0	(60.5)	(5.7)	34.8
Net Profit Gth (%)	N/A	578.0	(56.1)	(6.5)	39.0
Margins & Ratio					
Gross Margins (%)	0.8	1.0	12.3	11.0	12.5
Opg Profit Margin (%)	4.9	19.5	8.8	7.3	9.0
Net Profit Margin (%)	3.8	15.2	7.6	6.3	8.0
ROAE (%)	7.9	37.3	13.2	11.7	14.8
ROA (%)	3.2	15.7	6.1	5.4	7.0
ROCE (%)	4.7	22.5	7.5	6.7	8.4
Div Payout Ratio (%)	40.4	37.3	37.3	30.0	30.0
Net Interest Cover (x)	3.4	23.6	12.1	11.4	15.4

Source: Company, DBS HK

Interim Income Statement (RMB m)

FY Dec	1H2019	2H2019	1H2020	2H2020	1H2021
Revenue	4,403	6,676	9,168	9,754	7,503
Cost of Goods Sold	(4,533)	(5,555)	(7,060)	(7,256)	(5,549)
Gross Profit	(130)	1,121	2,109	2,498	1,954
Other Oper. (Exp)/Inc	(56)	(390)	(372)	(553)	(213)
Operating Profit	(186)	731	1,737	1,946	1,742
Other Non Opng (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	0	0	0	0	0
Net Interest (Exp)/Inc	(84)	(78)	(129)	(27)	(52)
Exceptional Gain/(Loss)	(2)	2	(260)	(443)	(36)
Pre-tax Profit	(273)	655	1,348	1,476	1,653
Tax	(4)	(6)	36	51	(92)
Minority Interest	49	(79)	2	(31)	14
Net Profit	(227)	571	1,385	1,496	1,575
Net profit bef Except.	(225)	569	1,646	1,938	1,611
Growth					
Revenue Gth (%)	34.9	71.0	108.2	46.1	(18.2)
Opg Profit Gth (%)	(367.8)	(586.7)	(1,032.0)	166.1	0.3
Net Profit Gth (%)	N/A	N/A	N/A	161.8	13.7
Margins					
Gross Margins (%)	(3.0)	16.8	23.0	25.6	26.0
Opg Profit Margins (%)	(4.2)	11.0	18.9	19.9	23.2
Net Profit Margins (%)	(5.2)	8.6	15.1	15.3	21.0

Source: Company, DBS HK

COFCO Joycome Foods Ltd
Balance Sheet (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Net Fixed Assets	6,668	7,908	8,028	8,556	9,270
Invt in Associates & JVs	0	0	0	0	0
Other LT Assets	1,214	2,013	2,061	2,112	2,165
Cash & ST Invt	640	428	1,303	2,049	2,671
Inventory	3,181	2,325	1,993	2,288	2,458
Debtors	182	659	455	514	562
Other Current Assets	4,238	7,229	7,241	7,291	7,345
Total Assets	16,124	20,562	21,082	22,809	24,470
ST Debt	6,301	8,134	8,134	8,434	8,734
Creditors	463	508	516	592	636
Other Current Liab	1,420	1,491	1,539	1,590	1,643
LT Debt	1,333	172	172	800	800
Other LT Liabilities	447	675	802	800	814
Shareholder's Equity	6,057	9,409	9,777	10,484	11,768
Minority Interests	104	173	142	109	75
Total Cap. & Liab.	16,124	20,562	21,082	22,809	24,470
Non-Cash Wkg. Capital	5,719	8,214	7,634	7,911	8,085
Net Cash/(Debt)	(6,994)	(7,878)	(7,003)	(7,186)	(6,863)
Debtors Turn (avg days)	6.0	12.7	10.0	10.0	10.0
Creditors Turn (avg days)	16.7	12.9	12.9	12.9	12.9
Inventory Turn (avg days)	115.1	59.3	50.0	50.0	50.0
Asset Turnover (x)	NM	NM	NM	NM	NM
Current Ratio (x)	1.0	1.1	1.1	1.1	1.2
Quick Ratio (x)	0.1	0.1	0.2	0.2	0.3
Net Debt/Equity (X)	1.1	0.8	0.7	0.7	0.6
Net Debt/Equity ex MI (X)	1.2	0.8	0.7	0.7	0.6
Capex to Debt (%)	12.7	20.6	20.5	17.3	16.8
Z-Score (X)	NA	NA	NA	NA	NA

Source: Company, DBS HK

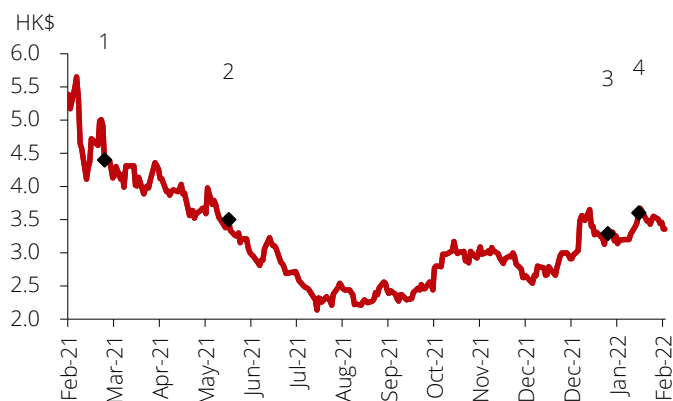
Cash Flow Statement (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Pre-Tax Profit	1,522	4,025	1,264	1,182	1,643
Dep. & Amort.	310	385	1,570	1,062	876
Tax Paid	(8)	(27)	87	(40)	(38)
Assoc. & JV Inc/(loss)	0	0	0	0	0
(Pft)/ Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg.Cap.	(1,901)	115	398	(301)	(189)
Other Operating CF	(973)	(1,535)	429	83	82
Net Operating CF	(1,049)	2,962	3,747	1,987	2,375
Capital Exp.(net)	(966)	(1,713)	(1,700)	(1,600)	(1,600)
Other Invt.(net)	0	0	0	0	0
Invt in Assoc. & JV	0	0	0	0	0
Div from Assoc & JV	11	21	0	0	0
Other Investing CF	960	(30)	0	0	0
Net Investing CF	4	(1,722)	(1,700)	(1,600)	(1,600)
Div Paid	0	0	(1,076)	(472)	(355)
Chg in Gross Debt	1,930	(602)	0	928	300
Capital Issues	0	0	0	0	0
Other Financing CF	(489)	(854)	(97)	(97)	(97)
Net Financing CF	1,441	(1,456)	(1,173)	359	(152)
Currency Adjustments	0	0	0	0	0
Chg in Cash	397	(215)	875	746	623
Opg CFPS (RMB)	0.22	0.73	0.86	0.59	0.66
Free CFPS (RMB)	(0.52)	0.32	0.52	0.10	0.20

Source: Company, DBS HK

COFCO Joycome Foods Ltd

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	19-Mar-21	HK\$4.92	HK\$4.60	Hold
2:	3-Jun-21	HK\$3.54	HK\$2.92	Fully Valued
3:	21-Jan-22	HK\$3.31	HK\$3.40	Hold
4:	9-Feb-22	HK\$3.40	HK\$3.40	Hold

Source: DBS HK

Analyst: Mavis Hui
Clement Xu

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: 25 Feb 2022 08:29:38 (HKT)

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