

# Wing Tai Properties

Bloomberg: 369 HK EQUITY | Reuters: 0369.HK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

9 Feb 2022

**HOLD** (Downgrade from BUY)

Last Traded Price (28 Jan 2022): HK\$4.45 (HSI : 23,550)

Price Target 12-mth: HK\$4.93 (11% upside) (Prev HK\$5.19)

### Analyst

Jeff YAU CFA, +852 36684180 jeff\_yau@dbs.com

### What's New

- OMA OMA and OMA by the Sea to dominate near-term development earnings
- Newly acquired Kwu Tung project to benefit from development of Northern Metropolis
- Occupancy of Landmark East is steady but reversionary growth remains negative
- HOLD with HK\$4.93 TP

## In search of catalysts

### Investment Thesis

**HOLD with HK\$4.93 TP.** The counter, trading 72% below our appraised current NAV, is inexpensive in view of its high earnings visibility and strong asset backing. However, there is no near-term catalyst to narrow the discount to NAV.

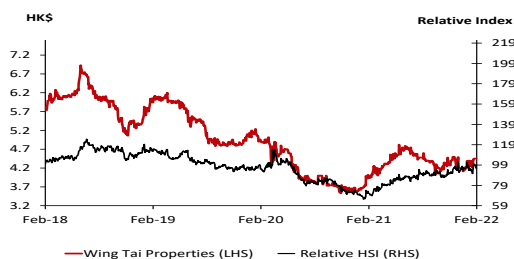
**Near term development earnings well secured.** The substantially sold OMA OMA and OMA by the Sea, both in Tuen Mun, would provide the mainstay of development income in FY21-22. A complete sale of these two residential projects should yield total attributable pre-tax earnings of c.HK\$1.2bnto Wing Tai Properties. Elsewhere, The Carmel in Tuen Mun is now completely sold after the last house was sold for HK\$85m.

**Beneficiary of development of Northern Metropolis.** In Jun-21, the company secured the Kwu Tung residential lot via a government tender. Close to the Hong Kong Golf Club in Fanling, this residential project should stand to benefit from the development of Northern Metropolis.

### Valuation:

Our target price for Wing Tai Properties is based on a target discount of 70% to our Dec-22 NAV estimate.

### Price Relative



### Forecasts and Valuation

| FY Dec (HK\$ m)    | 2020A | 2021F | 2022F | 2023F  |
|--------------------|-------|-------|-------|--------|
| Turnover           | 2,778 | 3,202 | 4,044 | 1,534  |
| EBITDA             | 738   | 691   | 916   | 374    |
| Pre-tax Profit     | (555) | 627   | 803   | 276    |
| Underlying Profit  | 456   | 474   | 476   | 131    |
| Net Profit         | (674) | 474   | 476   | 131    |
| Net Profit Gth (%) | N/A   | N/A   | 0.4   | (72.4) |
| EPS (HK\$)         | 0.34  | 0.35  | 0.35  | 0.10   |
| EPS Gth (%)        | 7.6   | 3.9   | 0.4   | (72.4) |
| PE (X)             | 13.2  | 12.7  | 12.7  | 45.9   |
| P/Cash Flow (X)    | 2.0   | nm    | 6.0   | 45.2   |
| EV/EBITDA (X)      | 14.5  | 15.5  | 11.7  | 28.7   |
| DPS (HK\$)         | 0.27  | 0.27  | 0.27  | 0.27   |
| Div Yield (%)      | 6.1   | 6.1   | 6.1   | 6.1    |
| Net Gearing (%)    | 12    | 21    | 20    | 22     |
| ROE (%)            | (2.5) | 1.8   | 1.7   | 0.5    |
| Est. NAV (HK\$):   |       |       | 16.1  | 16.4   |
| Disc. to NAV (%)   |       |       | (72)  | (73)   |

Earnings Rev (%): (17) (5) New

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

### Where we differ:

We are more positive on the long-term rental performance of Landmark East and London portfolio given the management's strong understanding of the office market there.

### Key Risks to Our View:

Any stronger-than-expected demand for luxury homes and offices could boost Wing Tai Properties' earnings and share price performance.

### At A Glance

|   |             |
|---|-------------|
| Issued Capital (m shrs)   | 1,355       |
| Mkt Cap (HK\$m/US\$m)   | 6,030 / 774 |
| Major Shareholders (%)  |             |
| Wing Tai Holdings Ltd   | 23.7        |
| Sun Hung Kai Properties Ltd                                       | 13.5        |
| Wing Tai Corporation Ltd.   | 13.5        |
| Brave Dragon Ltd.   | 10.5        |
| Farnham Group Limited   | 7.5         |
| Free Float (%)  | 31.4        |
| 3m Avg. Daily Val. (US\$m)  | 0.005       |
| GICS Industry: Real Estate / Real Estate Management & Development |             |



Watchlist the stock on Insights Direct to receive prompt updates



**Wing Tai Properties**

---

**WHAT'S NEW****Near-term development earnings are well assured**

In 2H21, Wing Tai Properties handed over the units at OMA OMA in Tuen Mun to buyers. As of now, the company has sold 419 units, or 90% of total, at OMA OMA at an ASP of HK\$13,500psf. Over 95% of sold units have been handed over with the corresponding profit to be booked in 2H21.

The company has also sold >460 units at OMA by the Sea in Tuen Mun since the initial launch in 2019. This represented c.89% of total 517 units. Scheduled for completion in 2H22, OMA by the Sea should be the key earnings producer in FY22. Both OMA OMA and OMA by the Sea should offer pre-tax margins of c.20%. Recently, Wing Tai Properties sold the last unit at The Carmel for HK\$85m which will be recognised in FY22.

Wing Tai Properties will commence the foundation works of its Kwu Tung project in 2022, with project pre-sale expected in 2024. The site was acquired for HK\$2.62bn or HK\$9,209psf via government tender in Jun-21. Near the Hong Kong Golf Club, this residential project is set to benefit from the development of Northern Metropolis announced in Policy Address in Oct-21.

Occupancy of its rental flagship Landmark East in Kwun Tong is stable at c.85%. About one of third of leases are scheduled for expiry in 2022 with a significant portion relating to government institutions. Occupancy risk should be relatively low but reversionary growth should continue to be negative. Shun Hing Building in Kowloon Bay is >80% occupied with spot rents of HK\$12-13psf. The company is working on the land premium with the government to redevelop this industrial building into office use.

Meanwhile, rental performance of its London commercial portfolio remains steady. Wing Tai Properties continues to explore acquisition opportunities in London commercial market.

Lanson Place Causeway Bay hotel became a quarantine hotel since Nov-21 with improved occupancy. The Lanson Waterfront suites in Shau Kei Wan is currently 70-80% let. On the other hand, operation of Lanson Place Bukit Ceylon in Kuala Lumpur remains challenging.

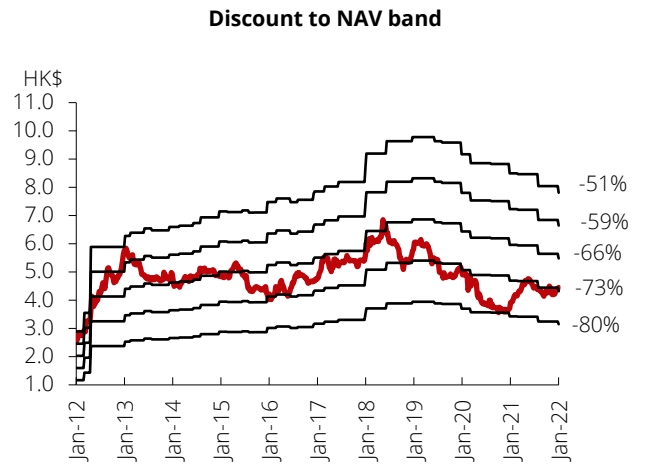
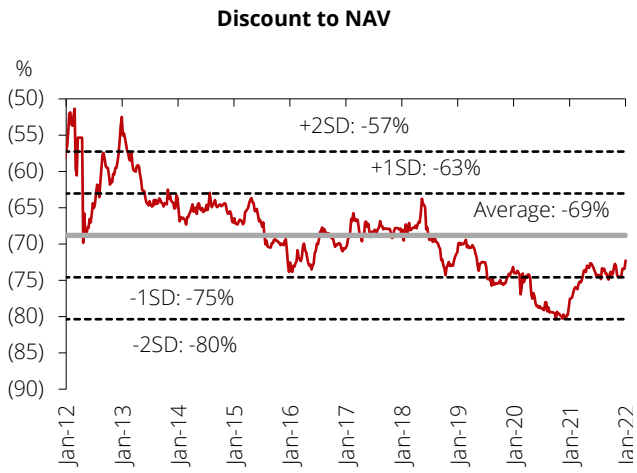
In the past three months, shares of Wing Tai Properties rose 3% outperforming the broad market by 11 pts. The stock is trading at 72% discount to our assessed current NAV. Valuation is inexpensive in view of its high earnings visibility. But there does not exist near-term catalyst to narrow the discount to NAV. Based on target discount of 70% to our Dec-2022 NAV estimate, we derive our TP at HK\$4.93. Downgraded to HOLD.

**Company Background**

Wing Tai Properties is primarily a Hong Kong property developer and investor with a strong focus on quality. It also has six commercial properties in Central London. The company is c.50% held by Wing Tai Holdings and the Cheng family and 13.7% by Sun Hung Kai Properties.

**Wing Tai Properties**

**Discount to NAV**



Source: Bloomberg Finance L.P., DBS HK

## Wing Tai Properties

### Key Assumptions (%)

|                                      | 2022F | 2023F |
|--------------------------------------|-------|-------|
| Residential price - HK               | 0     | 2     |
| Office rental - HK                   | 0     | 0     |
| Retail rental (Shopping centre) - HK | 5     | 5     |

Source: DBS HK

### Segmental Breakdown (HK\$ m)

| FY Dec                                | 2019A      | 2020A        | 2021F        | 2022F        | 2023F        |
|---------------------------------------|------------|--------------|--------------|--------------|--------------|
| <b>Revenues (HK\$ m)</b>              |            |              |              |              |              |
| Property development                  | 26         | 2,054        | 2,523        | 3,351        | 825          |
| Property investment and management    | 626        | 614          | 550          | 547          | 542          |
| Hospitality investment and management | 122        | 62           | 81           | 97           | 115          |
| Investing                             | 55         | 48           | 48           | 50           | 51           |
| <b>Total</b>                          | <b>830</b> | <b>2,778</b> | <b>3,202</b> | <b>4,044</b> | <b>1,534</b> |

Source: DBS HK

### Income Statement (HK\$ m)

| FY Dec                          | 2019A      | 2020A        | 2021F      | 2022F      | 2023F      |
|---------------------------------|------------|--------------|------------|------------|------------|
| Turnover                        | 830        | 2,778        | 3,202      | 4,044      | 1,534      |
| EBITDA                          | 281        | 738          | 691        | 916        | 374        |
| Depr / Amort                    | (14)       | (15)         | (16)       | (18)       | (19)       |
| <b>EBIT</b>                     | <b>267</b> | <b>724</b>   | <b>674</b> | <b>898</b> | <b>356</b> |
| Associates Inc                  | 197        | (9)          | 63         | 35         | 50         |
| Interest (Exp)/Inc              | 12         | (55)         | (110)      | (130)      | (130)      |
| Exceptionals                    | (102)      | (1,215)      | 0          | 0          | 0          |
| <b>Pre-tax Profit</b>           | <b>375</b> | <b>(555)</b> | <b>627</b> | <b>803</b> | <b>276</b> |
| Tax                             | (70)       | (61)         | (91)       | (123)      | (33)       |
| Non-controlling interests       | (1)        | 5            | 2          | (139)      | (46)       |
| Holders of Perpetual Securities | (66)       | (64)         | (65)       | (65)       | (65)       |
| <b>Net Profit</b>               | <b>238</b> | <b>(674)</b> | <b>474</b> | <b>476</b> | <b>131</b> |
| <b>Underlying Profit</b>        | <b>424</b> | <b>456</b>   | <b>474</b> | <b>476</b> | <b>131</b> |
| Sales Gth (%)                   | (6)        | 235          | 15         | 26         | (62)       |
| Net Profit Gth (%)              | (82)       | N/A          | N/A        | 0          | (72)       |
| EBITDA Margins (%)              | 34         | 27           | 22         | 23         | 24         |
| EBIT Margin (%)                 | 32         | 26           | 21         | 22         | 23         |
| Tax Rate (%)                    | 19         | N/A          | 14         | 15         | 12         |

Source: DBS HK

## Wing Tai Properties

### Balance Sheet (HK\$ m)

| FY Dec                        | 2019A         | 2020A         | 2021F         | 2022F         | 2023F         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Fixed Assets                  | 20,502        | 20,458        | 21,572        | 22,002        | 22,440        |
| Long-term Investments         | 989           | 831           | 831           | 831           | 831           |
| Other LT Assets               | 194           | 1,564         | 1,564         | 1,564         | 1,564         |
| Intangibles Assets            | 0             | 0             | 0             | 0             | 0             |
| Deferred Tax Asset            | 35            | 31            | 31            | 31            | 31            |
| Associates/JVs                | 5,525         | 5,279         | 5,816         | 5,819         | 5,869         |
| Bank Balance/Cash & Liquid    | 1,740         | 1,190         | 667           | 630           | 461           |
| ST Investments                | 378           | 552           | 552           | 552           | 552           |
| Inventory                     | 4,910         | 4,244         | 5,736         | 4,820         | 5,451         |
| Debtors                       | 1,416         | 1,712         | 1,712         | 1,712         | 1,712         |
| Other Non Cash Current        | 635           | 1,385         | 1,385         | 1,385         | 1,385         |
| <b>Total Assets</b>           | <b>36,323</b> | <b>37,246</b> | <b>39,865</b> | <b>39,345</b> | <b>40,295</b> |
| ST Debt                       | 147           | 726           | 700           | 930           | 850           |
| Creditors                     | 2,467         | 4,656         | 3,656         | 2,656         | 2,856         |
| Other Current Liab            | 43            | 45            | 45            | 45            | 45            |
| LT Debt                       | 4,535         | 3,654         | 5,680         | 5,250         | 5,830         |
| Deferred Tax Liabilities      | 358           | 367           | 367           | 367           | 367           |
| Other LT Liabilities          | 150           | 159           | 159           | 159           | 159           |
| Perpetual Securities          | 1,514         | 1,513         | 1,513         | 1,513         | 1,513         |
| Non-controlling interests     | 8             | 2             | 393           | 532           | 578           |
| Shareholder's Equity          | 27,102        | 26,126        | 27,355        | 27,895        | 28,099        |
| <b>Total Cap. &amp; Liab.</b> | <b>36,323</b> | <b>37,246</b> | <b>39,865</b> | <b>39,345</b> | <b>40,295</b> |
| Share Capital (m)             | 1,355         | 1,355         | 1,355         | 1,355         | 1,355         |
| Net Cash/(Debt)               | (2,941)       | (3,190)       | (5,713)       | (5,550)       | (6,218)       |
| Working Capital               | 6,422         | 3,657         | 5,651         | 5,468         | 5,811         |
| Net Gearing (%)               | 11            | 12            | 21            | 20            | 22            |

Source: DBS HK

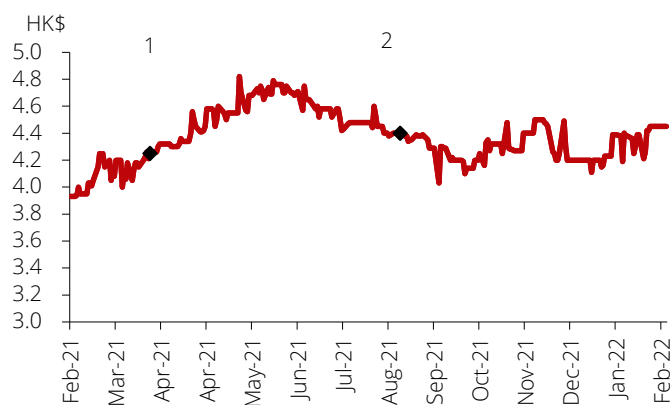
### Cash Flow Statement (HK\$ m)

| FY Dec   | 2019A          | 2020A          | 2021F          | 2022F        | 2023F        |
|--|----------------|----------------|----------------|--------------|--------------|
| EBIT   | 267            | 724            | 674            | 898          | 356          |
| Tax Paid   | (33)           | (71)           | (91)           | (123)        | (33)         |
| Depr/Amort   | 14             | 15             | 16             | 18           | 19           |
| Profit or loss on disposal of<br>FAs/subsidiaries/investment | (12)           | (192)          | 0              | 0            | 0            |
| Chg in Wkg.Cap   | 143            | 2,340          | (2,367)        | 66           | (266)        |
| Other Non-Cash   | (19)           | (51)           | (235)          | (280)        | (295)        |
| <b>Operating CF</b>  | <b>360</b>     | <b>2,765</b>   | <b>(2,002)</b> | <b>579</b>   | <b>(220)</b> |
| Net Capex  | 347            | 908            | (10)           | (18)         | (18)         |
| Investments  | (576)          | (1,009)        | 0              | 0            | 0            |
| Associates & JVs   | (292)          | (1,014)        | (578)          | 0            | 0            |
| Associates' Dividends  | 0              | 0              | 104            | 33           | 0            |
| Others   | (492)          | (1,055)        | 0              | 0            | 0            |
| <b>Investing CF</b>  | <b>(1,012)</b> | <b>(2,170)</b> | <b>(484)</b>   | <b>15</b>    | <b>(18)</b>  |
| Net Chg in Debt  | (385)          | (350)          | 2,000          | (200)        | 500          |
| New Capital  | 0              | 0              | 0              | 0            | 0            |
| Dividend   | (366)          | (366)          | (366)          | (366)        | (366)        |
| Other Financing CF   | (75)           | (61)           | 328            | (65)         | (65)         |
| <b>Financing CF</b>  | <b>(826)</b>   | <b>(777)</b>   | <b>1,962</b>   | <b>(631)</b> | <b>69</b>    |
| Chg in Cash  | (1,479)        | (182)          | (523)          | (37)         | (168)        |

Source: DBS HK

## Wing Tai Properties

### Target Price & Ratings History



| S.No. | Date      | Closing Price | 12-mth Target Price | Rating |
|-------|-----------|---------------|---------------------|--------|
| 1:    | 26-Mar-21 | HK\$4.21      | HK\$5.19            | Buy    |
| 2:    | 27-Aug-21 | HK\$4.40      | HK\$5.19            | Buy    |

Source: DBS HK

Analyst: Jeff YAU CFA,

## Wing Tai Properties

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: 8 Feb 2022 17:29:38 (HKT)

Dissemination Date: 9 Feb 2022 15:40:44 (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.

**Wing Tai Properties**

---

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 associate<sup>1</sup> 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 interests<sup>2</sup> 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 do not have a proprietary position in the securities recommended in this report as of 04 Feb 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.


---

<sup>1</sup> 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.

<sup>2</sup> 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

|                       |  |
|-----------------------|--|
| <b>General</b>        | 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.   |
| <b>Australia</b>      | <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>  |
| <b>Hong Kong</b>      | 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.  |
| <b>Indonesia</b>      | This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.   |
| <b>Malaysia</b>       | <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;"><br/>Wong Ming Tek, Executive Director, ADBSR</p> |
| <b>Singapore</b>      | 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 6878 8888 for matters arising from, or in connection with the report.   |
| <b>Thailand</b>       | <p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>   |
| <b>United Kingdom</b> | <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>  |

**Wing Tai Properties**

|  |  |
|--|--|
| <b>Dubai International Financial Centre / United Arab Emirates</b> | <p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see <a href="http://www.dbs.com/ae/our--network/default.page">http://www.dbs.com/ae/our--network/default.page</a>.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p> |
| <b>United States</b>   | <p>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.</p>  |
| <b>Other jurisdictions</b>   | <p>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.</p>   |

**DBS Bank (Hong Kong) Limited**

 13<sup>th</sup> Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

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

**Wing Tai Properties**

---

**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](mailto: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](mailto: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](mailto: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](mailto: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](mailto:research@th.dbs.com)

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand