

# China Auto Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity

22 Mar 2022

## Navigating sector headwinds

- **Expect a quick rebound in vehicle sales post pandemic lockdown; 2M22 sales were healthy**
- **NEV segment gaining market share from ICE vehicle market, especially under a high crude oil price environment**
- **Dealership sector is a safe harbour under a tight vehicle supply environment given their favourable pricing strategy**
- **Our preferred picks are [BYD \(1211 HK\)](#) and [Zhongsheng \(881 HK\)](#)**

**Temporary impact from pandemic lockdown.** The recent lockdown due to the COVID-19 outbreak in China is expected to slow sales momentum. We anticipate a quick rebound in vehicle sales once the restrictions are lifted. So far, 2M22 passenger vehicle sales have remained healthy, growing by c.15% y-o-y. While there could be a short-term supply disruption, this should be positive for auto dealerships given their favourable pricing strategy. In FY21, auto dealerships were able to rake in higher vehicle sales margins of 1-1.5ppts.

**High commodity inflation and impact on ICE vehicle sales.** High crude oil price is expected to worsen the internal combustion engine (ICE) vehicle sales outlook, apart from rising competition from the electric vehicle players. The ICE vehicle market has been losing market share to NEVs since 2018. We anticipate ICE makers to intensify their vehicle electrification strategy to keep vehicle sales rolling. Certain NEV makers have also increased their product prices to cover part of the metal price inflation. Recently, the Chinese government announced lower taxes and fees to help Chinese manufacturers to combat cost pressures. For 2M22, the NEV volume sales climbed by 165% y-o-y.

**Auto dealership are a safe haven together with dominant NEV players.** The recent wild stock market swings have not spared auto stocks. With the risk aversion sentiment still high, we prefer safer havens like the auto dealerships and dominant NEV players. Our top picks are BYD and Zhongsheng. BYD is one of the few automakers that is able to manage the risks stemming from rising commodity inflation and supply chain disruption. Zhongsheng is expected to enjoy a robust new model cycle till 2024 for the Mercedes Benz dealership business, in which it has the highest exposure in China at 18%.

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### Recommendation & valuation

Company Name	Price HK\$	Target Price HK\$	Recom	Mkt Cap US\$m	PE 22F x
<a href="#">BYD 'H' (1211 HK)</a>	212.40	360.00	BUY	99,747	67.8
<a href="#">Zhongsheng (881 HK)</a>	50.10	78.00	BUY	15,463	9.9

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

Closing price as of 21 Mar 2022



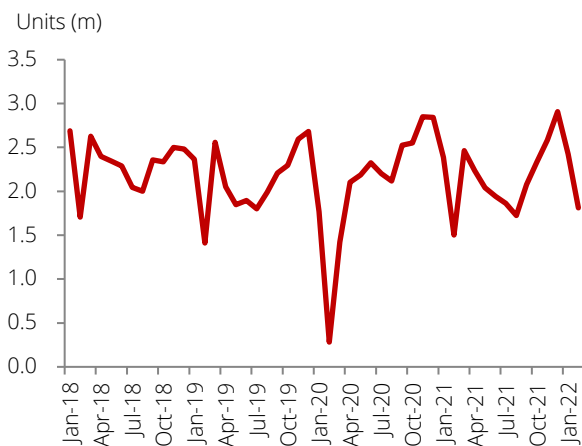
Live more, Bank less

**Anticipate a quick rebound post pandemic lockdown**

The recent pandemic restrictions on the Chinese automobile market could result in supply disruptions and a drop in footfall to dealership stores. However, based on previous experience in 2020, vehicle sales are likely to rebound sharply once the restrictions are lifted.

During the severe pandemic outbreak in 2020, the shutdown of Chinese vehicle factories had caused vehicle production to plunge 17% y-o-y in 1H20. However, production resumption lifted 2H20 operations and vehicle production in China in 2020 fell only by a modest 2% y-o-y to about 25m units.

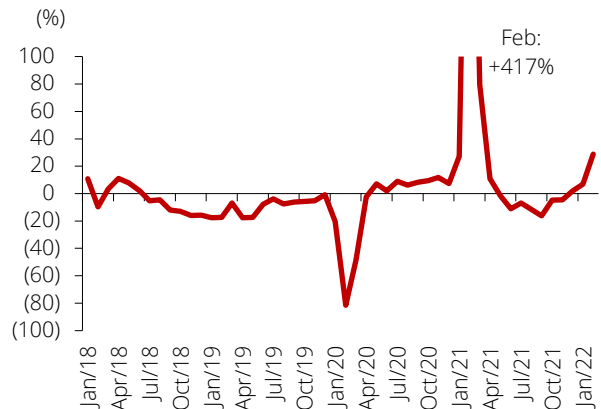
**China total vehicle monthly production volume**



Source: CEIC

Vehicle sales posted a sharp rebound as dealership stores reopened. Pent-up demand lifted passenger vehicle (PV) sales and growth returned to positive territory. So far, 2M22 PV demand remains healthy at c.15% expansion, hence we believe the current restrictions should only derail sales for a short period of time.

**China PV monthly sales growth**



Source: CEIC

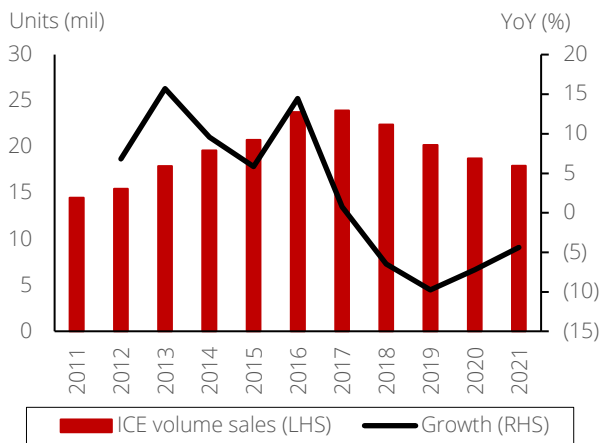
However, we anticipate there will be some tightness in supply due to a temporary halt in production as well as supply chain disruptions as a result of the geopolitical uncertainties. This should be positive on dealerships' margins because of their favourable pricing strategy. Based on FY21 financials released by the auto dealerships, their gross margins from new car sales increased by 1-1.5ppts when supply fell short of demand. Hence, auto dealerships can enjoy good profit margins under a tight supply environment.

**ICE automakers' electrification shift to intensify under high crude oil price environment**

**ICE vehicle market facing intense competition from EV makers.** Internal combustion engine (ICE) vehicle sales have been contracting since 2018, even before the start of the recent crude oil price surge. This is because the Chinese government has been supportive of the NEV market with incentives and stimulus measures. As a result, share of NEV sales has been on the rise and is expected to reach some 20% by the end of 2022.

The chart below shows ICE vehicle sales in China has been in contraction mode for several years.

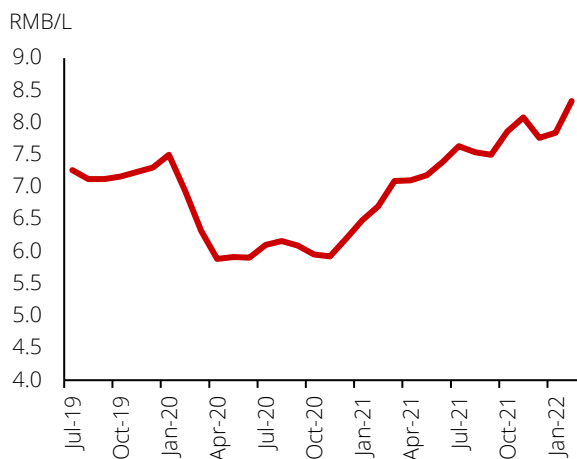
**Falling ICE vehicle sales in China**



Source: CEIC

Sharp gasoline price movement is expected to impact the ICE vehicle market. Recently, the government has revised up gasoline retail prices to reflect the sharp spike in international crude oil prices and further upward adjustment is possible.

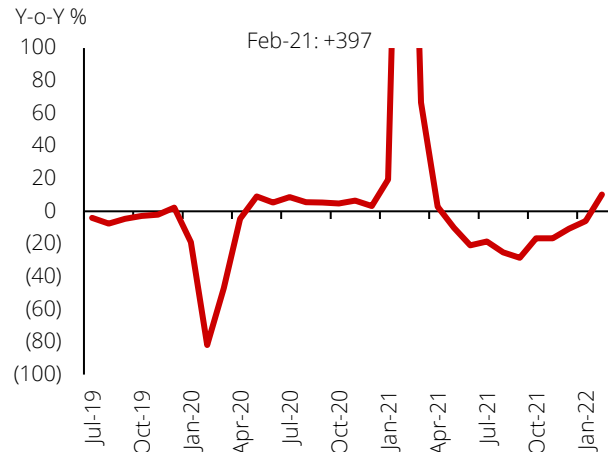
**China gasoline retail price movements**



Source: CEIC

Based on the chart below, ICE PV monthly volume sales have been declining since May-21, partly also affected by shortage of key components. While Feb-22 saw c.10% increase in ICE volume sales, we believe this was largely due to delayed shipments of previous orders. Generally, we expect ICE sales to decline as automakers intensify their vehicle electrification strategy and as international crude prices climb.

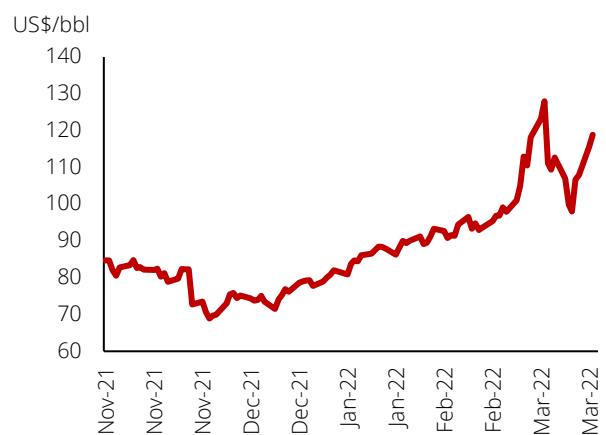
**ICE PV monthly sales growth**



Source: CEIC

**Commodity inflation to stay; crude oil price expected to remain high.** While Brent crude oil price has come off from its peak recently, we believe the current geopolitical uncertainty is expected to keep crude oil prices high. Thus, our house has revised up average Brent crude oil forecast for 2022 to US\$95-100/bbl (from US\$77-82/bbl previously). The high crude price is expected to push consumers to move faster into the electric vehicles segment.

**Brent crude oil price**



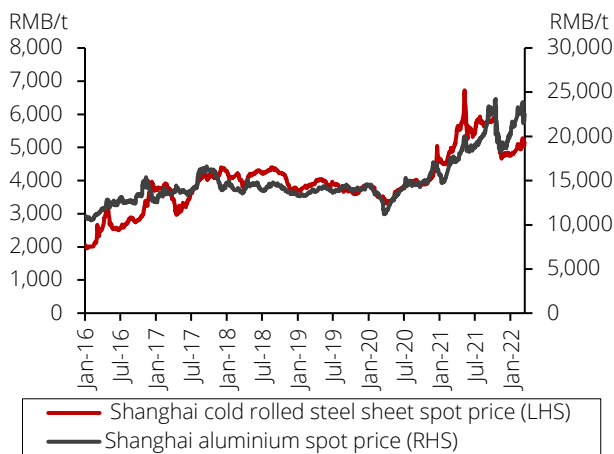
Source: Bloomberg Finance L.P.

We anticipate the overall ICE market outlook will depend on i) availability of key components as supply shortage of certain metals could affect vehicle production, such as palladium for catalytic converters; ii) crude oil price movement; and iii) China's macro outlook.

Therefore, high commodity prices and potential delay in supply chain recovery could further impact the ICE vehicle market sales sentiment in the near-term.

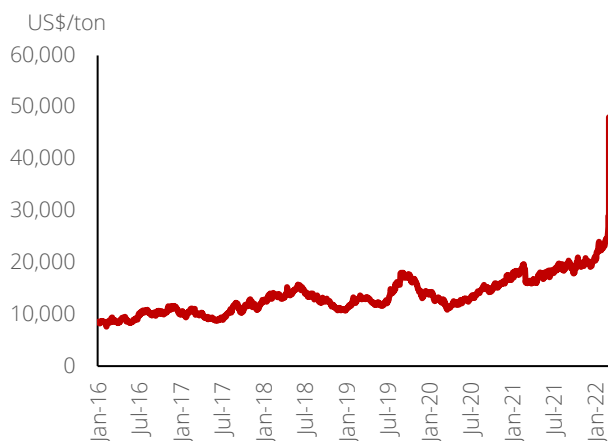
**NEV price increase hinges on commodity inflation.** As for the NEV market, the main challenge comes from the impact of commodity inflation on profit margins. Certain key metals for making the EVs and car batteries have skyrocketed. To mitigate the margin erosion pressure, Chinese automakers are increasing vehicle prices to cover the higher raw material cost.

**Steel and aluminium price trends**



Source: Bloomberg Finance L.P.

**Nickle price has skyrocketed**



Source: Bloomberg Finance L.P.

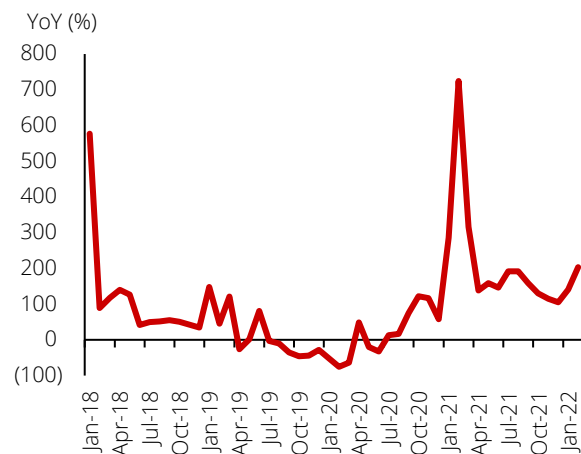
**Chinese NEV makers have raised prices**

Auto company	Car models	Price increase (Rmb)
Tesla	Model 3	14,000-20,000
	Model Y	
BYD	Dynasty series	3,000-6,000
	Ocean series	
Leapmotor	T03	8,100-9,100
Great Wall Motor	ORA Haomao	8,000-12,000
GAC AION	AION Y	10,000+
	AION S Plus	7,000-14,000
	AION LX Plus	7,000
Geely Zeekr	Zeekr 001	8,000
SGM-Wuling	Wuling Nano EV	3,000
Ford	Mustang Mach-E	7,500
FAW-VW	ID. 4&6 CROZZ	5,400

Source: Sohu

NEV monthly sales have expanded by 165% y-o-y to about 765,000 units in 2M22. We keep our full year sales growth forecast of 50% increase to 5.3m units.

**China monthly NEV sales growth**



Source: CEIC

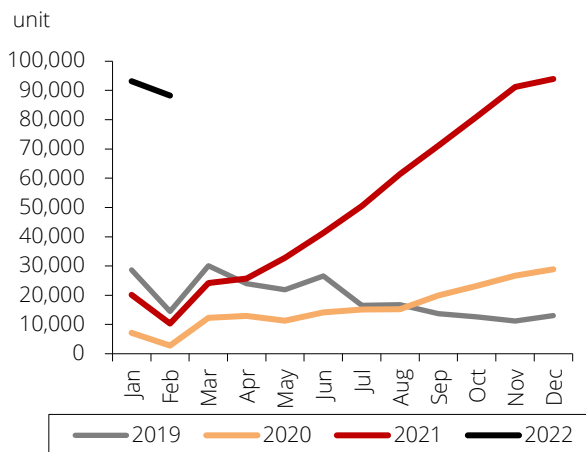
**Auto sector outlook and stock selection**

**Expect volatility in the auto sector to stay.** The recent stock market wild swing is impacting the price performance of auto stocks. With investor risk aversion still high, we prefer safer sub-segments like the auto dealerships and dominant NEV players. Our top picks are BYD and Zhongsheng.

**BYD (1211 HK; TP HK\$360) – Strong NEV prospects, buying opportunity amid recent correction**

The company is one of the few automakers that is better able to manage the risks of rising commodity inflation and supply chain disruption. The company raised its NEV product prices by Rmb3-6k to partly offset the raw material cost pressure. BYD's advantage is that it produces certain key components to assemble the NEVs inhouse, thus allowing better control over its cost structure. Lastly, the company is well ahead in the NEV race. YTD, total NEV sales surged almost 500% y-o-y to about 181,000 units, accounting for c.24% of the market. The stock is currently trading at FY22F 68xPE, slightly above its 5-year mean.

**BYD NEV monthly volume sales**

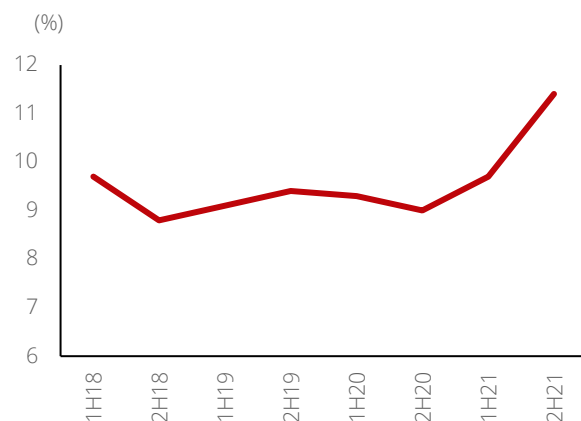


Source: Bloomberg Finance L.P.

**Zhongsheng (881 HK; TP HK\$78) – Strong margins to prevail**

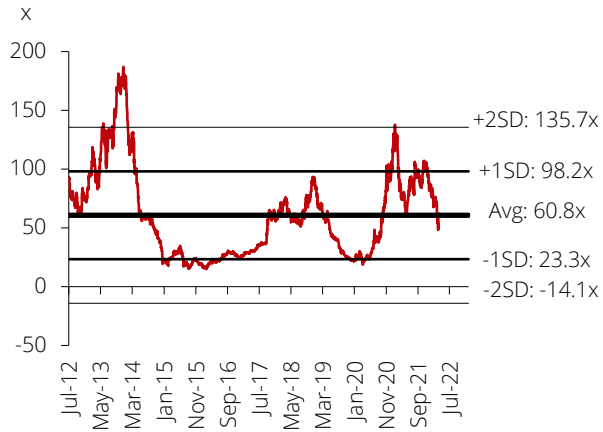
The relatively resilient demand for luxury cars should be positive on Zhongsheng's new car sales' GP margins. A robust new model cycle till 2024 for the Mercedes Benz dealership business means prospects are bright. Zhongsheng has the highest exposure to Mercedes Benz in China at 18%. Hence, we believe the company should be able to maintain new car sales' GP margin at the 4-4.5% range. The company also reported record net cash from operations of Rmb11bn as of Dec-21 to support its core business expansion and build its NEV and pre-owned car ventures. The stock is currently trading at c.10x FY22F PE, below its historical average.

**Zhongsheng GP margins improved on tight new car supply**



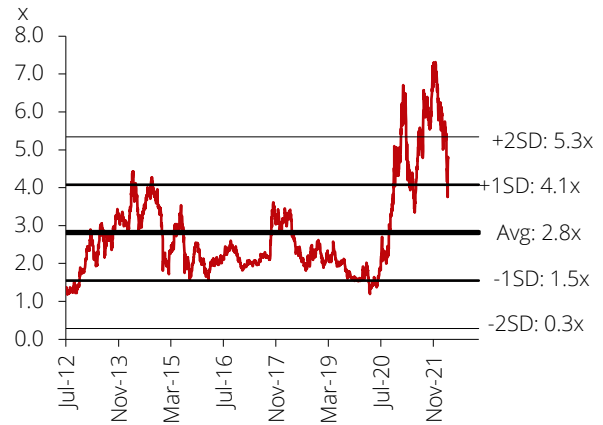
Source: Bloomberg Finance L.P.

**BYD - PE band chart**



Source: Thomson Reuters, DBS HK

**BYD - PB band chart**



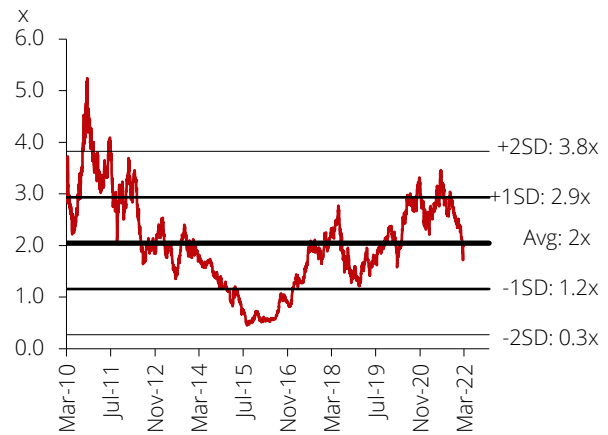
Source: Thomson Reuters, DBS HK

**Zhongsheng - PE band chart**



Source: Thomson Reuters, DBS HK

**Zhongsheng - PB band chart**



Source: Thomson Reuters, DBS HK

## Share price performance

Share Price Performance (%)						
Company	Code	1-month	3-month	6-month	1-year	YTD
Grand Baoxin Auto	HK1293	(25.0)	(29.3)	(40.4)	(40.4)	(27.2)
China Harmony	HK3836	(6.1)	(18.1)	(15.9)	(13.6)	(24.9)
China Meidong	HK1268	(28.5)	(33.5)	(27.0)	(23.8)	(30.1)
China Yongda	HK3669	(15.7)	(21.9)	(31.3)	(44.9)	(21.0)
China ZhengTong	HK1728	(20.3)	(42.7)	(39.3)	(33.8)	(41.4)
Zhongsheng	HK881	(8.6)	(15.0)	(14.9)	(5.8)	(13.4)
Fuyao Glass	HK3606	(27.6)	(23.3)	(31.7)	(33.7)	(26.2)
Minth	HK425	(33.6)	(35.6)	(22.3)	(38.3)	(38.1)
Nexteer	HK1316	(39.7)	(45.5)	(40.1)	(54.3)	(48.9)
Weichai Power	HK2338	(11.2)	(16.4)	(26.2)	(40.4)	(18.0)
Xinchen China	HK1148	(28.2)	(31.1)	(57.5)	39.7	(30.1)
Xingda	HK1899	(12.0)	(25.1)	(28.2)	(43.9)	(26.9)
Xinyi Glass	HK868	(12.0)	4.3	(23.9)	(22.2)	(0.5)
BAIC Motor	HK1958	(13.4)	(32.0)	(8.4)	(10.7)	(25.1)
Brilliance China	HK1114	0.0	0.0	0.0	3.4	0.0
BYD	HK1211	(13.9)	(17.0)	(12.5)	15.0	(20.3)
Chongqing Changan	CH200625	(13.9)	(26.7)	(33.4)	(22.5)	(26.4)
Dongfeng Motor	HK489	(16.7)	(7.9)	(17.1)	(20.2)	(7.7)
Geely Auto	HK175	(30.3)	(48.3)	(53.3)	(52.4)	(46.5)
Great Wall Motor	HK2333	(35.6)	(53.1)	(59.5)	(42.3)	(54.2)
Guangzhou Auto	HK2238	(20.3)	(17.6)	(16.1)	(10.1)	(16.4)
Li Auto	HK2015	(11.1)	(7.9)	(0.4)	n.a.	(15.0)
Qingling	HK1122	(7.5)	(5.8)	(14.0)	(10.4)	(7.0)
SAIC Motor	CH600104	(8.2)	(17.2)	(14.1)	(13.8)	(16.2)
Sinotruk	HK3808	3.6	8.0	(8.4)	(49.7)	1.8
XPENG	HK9868	(29.8)	(34.2)	(26.0)	n.a.	(43.2)
<b>HSI</b>	<b>HSI</b>	<b>(11.2)</b>	<b>(6.6)</b>	<b>(11.4)</b>	<b>(26.0)</b>	<b>(8.3)</b>

Source: Thomson Reuters

Closing price as of 21 Mar 2022

Peers' comparison table (Auto Parts)

Company Name	Code	Currency	Price Local\$	Mkt Cap US\$m	Fiscal Yr	PE	PE	Yield	Yield	P/Bk	P/Bk	EV/EBITDA	ROE	ROE	
						22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
<b>Hong Kong</b>															
Fuyao Glass Industry Gp. Co.'H'	3606 HK	HKD	28.85	13,617	Dec	13.7	11.3	4.5	5.4	2.2	2.0	9.9	8.5	16.7	18.9
Minth Group*	425 HK	HKD	20.55	3,024	Dec	8.5	6.8	4.8	5.8	1.1	1.0	6.3	5.2	13.2	15.0
Nexteer*	1316 HK	HKD	4.79	1,536	Dec	6.7	5.1	3.0	4.0	0.7	0.6	2.2	1.4	11.1	13.2
Weichai Power 'H'	2338 HK	HKD	12.02	16,869	Dec	7.7	6.9	3.9	4.4	1.1	1.0	4.1	3.7	14.8	14.9
Xinyi Glass Holdings	868 HK	HKD	19.54	10,037	Dec	7.6	7.0	5.9	7.1	1.9	1.6	6.2	5.8	27.0	24.4
<b>Average</b>						<b>8.9</b>	<b>7.4</b>	<b>3.7</b>	<b>4.5</b>	<b>1.4</b>	<b>1.3</b>	<b>4.8</b>	<b>4.1</b>	<b>13.8</b>	<b>14.4</b>
<b>China</b>															
Fangda Special Stl.Tech. 'A'	600507 CH	CNY	8.30	2,813	Dec	6.3	6.1	6.4	6.5	1.6	1.4	n.a.	n.a.	25.1	22.1
Fuyao Gls.Ind.Group 'A'	600660 CH	CNY	35.31	13,421	Dec	21.1	17.4	3.0	3.7	3.4	3.1	13.9	12.0	16.2	18.4
Huayu Automotive Sys.'A'	600741 CH	CNY	21.49	10,651	Dec	9.0	8.1	5.1	5.8	1.1	1.0	4.0	3.6	12.5	12.5
Jiangsu Pac.Precn.Frgg. 'A'	300258 CH	CNY	11.16	845	Dec	18.5	14.5	1.9	1.3	1.6	1.4	12.2	10.8	8.5	9.8
Lingyun Industrial 'A'	600480 CH	CNY	9.20	1,104	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ningbo Huaxiang Elt.'A'	002048 CH	CNY	16.25	2,080	Dec	7.8	6.7	3.5	4.0	1.1	0.9	5.4	4.7	11.9	11.9
Weifu High Tech.Gp.'B'	200581 CH	HKD	14.37	1,852	Dec	4.3	3.7	11.6	n.a.	0.6	0.5	6.6	5.2	13.6	13.8
Zhejiang Wanliyang Tnsm. 'A'	002434 CH	CNY	7.84	1,652	Dec	11.2	9.0	8.2	n.a.	1.5	1.3	10.9	9.5	12.6	13.6
Weifu High Tech.Gp.'A'	000581 CH	CNY	19.75	3,132	Dec	7.4	7.0	6.5	6.0	1.0	0.9	5.8	5.5	13.1	12.8
Zhejiang Yinlun Mch.'A'	002126 CH	CNY	10.03	1,249	Dec	16.4	13.2	0.7	1.7	1.7	1.5	11.4	9.9	10.6	11.7
Changzhou Xingyu Autv. Ltg.'A'	601799 CH	CNY	158.66	7,125	Dec	27.6	21.7	1.1	1.3	5.5	4.5	23.3	18.7	20.9	21.9
<b>Average</b>						<b>15.9</b>	<b>12.9</b>	<b>4.4</b>	<b>3.4</b>	<b>2.0</b>	<b>1.8</b>	<b>10.4</b>	<b>8.9</b>	<b>13.9</b>	<b>14.4</b>

Source: Thomson Reuters, \*DBS HK

Peers' comparison table (Auto Automakers)

Company Name	Code	Currency	Price Local\$	Mkt Cap US\$m	Fiscal Yr	PE	PE	Yield	Yield	P/Bk	P/Bk	EV/EBITDA	ROE	ROE	
						22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
<b>Hong Kong</b>															
Guangzhou Automobile 'H'*	2238 HK	HKD	6.44	15,807	Dec	5.5	4.6	5.4	6.6	0.6	0.5	3.4	3.0	10.5	11.7
Sinotruk (Hong Kong)	3808 HK	HKD	12.06	4,256	Dec	4.8	4.6	6.9	7.1	0.7	0.6	0.7	0.7	13.7	13.3
Dongfeng Motor Gp.'H'*	489 HK	HKD	5.9	6,497	Dec	3.1	n.a.	7.3	0.0	0.3	n.a.	1.4	0.0	8.7	0.0
Brilliance China*	1114 HK	HKD	7.30	4,707	Dec	4.4	n.a.	2.1	0.0	0.6	n.a.	4.5	0.0	13.5	0.0
Great Wall Motor 'H'*	2333 HK	HKD	12.24	32,163	Dec	8.3	6.2	5.9	8.0	1.3	1.1	5.4	4.3	16.6	19.6
BYD 'H'*	1211 HK	HKD	212.4	99,747	Dec	67.8	46.2	0.1	0.2	4.9	4.4	18.2	14.6	7.4	10.1
Geely Automobile Hdg.*	175 HK	HKD	11.42	14,626	Dec	8.9	7.1	2.3	2.9	1.2	1.0	4.7	3.9	14.6	15.9
BAIC Motor 'H'*	1958 HK	HKD	2.47	2,530	Dec	4.0	n.a.	7.5	0.0	0.2	n.a.	0.0	0.0	7.3	0.0
<b>Average^</b>						<b>5.6</b>	<b>5.6</b>	<b>5.4</b>	<b>3.5</b>	<b>0.7</b>	<b>0.8</b>	<b>2.9</b>	<b>1.7</b>	<b>12.1</b>	<b>8.7</b>
<b>China</b>															
Saic Motor 'A'	600104 CH	CNY	17.19	31,572	Dec	6.8	6.0	5.4	7.3	0.7	0.6	4.7	4.3	10.2	10.4
Faw Jiefang Group 'A'	000800 CH	CNY	8.21	6,007	Dec	9.0	9.8	4.8	3.8	1.3	1.2	4.8	5.6	15.3	12.8
CQ Changan Auto 'A'*	000625 CH	CNY	11.43	13,714	Dec	n.a.	n.a.	0.0	0.0	n.a.	n.a.	0.0	0.0	0.0	0.0
CQ Changan Auto 'B'	200625 CH	HKD	3.32	3,238	Dec	3.9	3.1	8.0	10.2	0.3	0.3	6.1	5.0	8.9	10.4
Anhui Jianghuai Auto 'A'	600418 CH	CNY	11.73	4,027	Dec	43.6	40.0	1.0	0.7	1.6	1.6	14.9	14.7	3.8	4.0
Yutong Bus 'A'	600066 CH	CNY	8.65	3,077	Dec	11.4	8.8	5.2	6.7	1.2	1.2	6.8	5.7	10.9	13.3
Great Wall Motor 'A'	601633 CH	CNY	28.51	32,163	Dec	23.7	17.8	2.1	2.8	3.7	3.3	15.4	12.1	16.6	19.6
Guangzhou Auto 'A'*	601238 CH	CNY	11.47	15,807	Dec	12.1	10.0	2.5	3.0	1.2	1.1	7.3	6.4	10.5	11.7
BYD 'A'*	002594 CH	CNY	245.38	99,747	Dec	96.3	65.6	0.1	0.2	6.9	6.3	25.5	20.4	7.4	10.1
<b>Average</b>						<b>25.9</b>	<b>20.2</b>	<b>3.2</b>	<b>3.8</b>	<b>2.1</b>	<b>1.9</b>	<b>9.5</b>	<b>8.2</b>	<b>9.3</b>	<b>10.3</b>

Source: Thomson Reuters, \*DBS HK

Closing price as of 21 Mar 2022



## Peers' comparison table (Auto Dealers)

Company Name	Code	Currency	Price		Mkt Cap	Fiscal Yr	PE		Yield		P/Bk		EV/EBITDA		ROE	
			Local\$	US\$m			22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
Zhongsheng*	881 HK	HKD	50.1	15,463	Dec	9.9	8.0	2.0	2.5	2.0	1.7	5.7	4.4	22.3	22.9	
China Zhengtong*	1728 HK	HKD	0.51	179	Dec	4.3	n.a.	0.0	0.0	0.3	n.a.	3.3	0.0	7.5	0.0	
Grand Baoxin Auto	1293 HK	HKD	0.49	178	Dec	1.5	1.6	0.0	0.0	0.1	0.1	2.5	2.4	7.6	7.4	
China Yongda Auto*	3669 HK	HKD	7.89	1,984	Dec	4.3	3.7	8.9	10.2	0.8	0.7	3.0	2.5	20.1	20.1	
China Meidong Auto	1268 HK	HKD	26.50	4,302	Dec	15.0	11.5	4.1	5.6	5.3	4.3	13.5	10.0	40.0	40.1	
China Harmony	3836 HK	HKD	3.63	725	Dec	5.9	5.3	5.5	6.2	0.5	0.5	4.9	4.5	8.7	9.6	
<b>Average</b>						<b>6.8</b>	<b>6.0</b>	<b>3.4</b>	<b>4.1</b>	<b>1.5</b>	<b>1.5</b>	<b>5.5</b>	<b>4.0</b>	<b>17.7</b>	<b>16.7</b>	
Tan Chong Motor Holdings	TCM MK	MYR	1.11	178	Dec	30.8	17.6	1.9	2.1	0.3	0.3	n.a.	n.a.	1.1	1.6	
Wuchan Zhongda 'A'	600704 CH	CNY	5.49	4,484	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Offcn Education Tech 'A'	002607 CH	CNY	5.85	5,672	Dec	26.5	16.4	3.1	3.8	8.2	5.5	23.3	16.1	35.2	37.5	
Chd.Autv.Ssgp.'A'	600297 CH	CNY	2.31	2,945	Dec	6.8	5.8	2.9	2.6	0.4	0.4	6.4	5.7	6.5	7.0	
Wuxi Coml.Mansion 'A'	600327 CH	CNY	6.69	931	Dec	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<b>Average</b>						<b>21.4</b>	<b>13.3</b>	<b>2.7</b>	<b>2.8</b>	<b>3.0</b>	<b>2.1</b>	<b>14.9</b>	<b>10.9</b>	<b>14.3</b>	<b>15.4</b>	

Source: Thomson Reuters, \*DBS HK

## Peers' comparison table (NEV)

Company Name	Code	Price		Mkt Cap	PE		P/S		P/Bk		EV/EBITDA		ROE	
		Local\$	US\$m		22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
BYD 'H'*	1211 HK	212.4	93,542	67.8	46.2	2.0	1.7	4.9	4.4	18.2	14.6	7.4	10.1	
Nio Adr 1:1	NIO US	20.26	36,885	n.a.	103.5	3.8	2.5	8.6	7.9	558.5	31.4	(10.0)	6.7	
Tesla	TSLA US	921.16	952,026	87.8	72.2	11.5	9.1	23.5	18.3	34.4	26.7	27.5	29.5	
Xpeng Adr 1:2	XPEV US	27.32	26,110	n.a.	n.a.	4.0	2.6	4.4	4.6	(26.1)	(55.7)	(13.9)	(7.3)	
Li Auto Adr 2 1:2	LI US	26.33	27,195	n.a.	70.3	3.3	2.0	4.7	4.3	2391.6	36.5	1.9	6.3	
<b>Average</b>				<b>77.8</b>	<b>59.2</b>	<b>4.9</b>	<b>3.6</b>	<b>9.2</b>	<b>7.9</b>	<b>595.3</b>	<b>10.7</b>	<b>2.6</b>	<b>9.0</b>	

Source: Thomson Reuters, \*DBS HK

Closing price as of 21 Mar 2022

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: 22 Mar 2022 14:11:42 (HKT)

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