

Hongkong Land

Bloomberg: HKL SP EQUITY | Reuters: HKLD.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

4 Mar 2022

BUY

Last Traded Price (3 Mar 2022): US\$5.40 (STI : 3,254)
Price Target 12-mth: US\$6.61 (22% upside) (Prev US\$6.64)

Analyst

Jeff Yau +852 36684180 jeff_yau@dbs.com

What's New

- Underlying profit was flat at US\$966m, slightly below our forecast
- Rental income remained resilient in FY21
- Acquired land sites in China, taking advantage of reduced market competition
- Continued share buybacks to support share price, BUY with US\$6.61 TP

Price Relative



Forecasts and Valuation

FY Dec (US\$ m)	2020A	2021A	2022F	2023F
Turnover	2,094	2,490	2,443	1,759
EBITDA	974	960	976	818
Pre-tax Profit	1,111	1,144	1,055	1,112
Underlying Profit	963	966	883	994
Underlying Profit Gth (%)	(10.5)	0.3	(8.6)	12.6
EPS (US\$)	0.41	0.41	0.39	0.44
EPS Gth (%)	(10.5)	0.5	(6.7)	12.6
PE (X)	13.1	13.0	14.0	12.4
P/Cash Flow (X)	10.1	18.3	13.1	14.5
EV/EBITDA (X)	17.9	18.2	17.9	21.4
DPS (US\$)	0.22	0.22	0.22	0.22
Div Yield (%)	4.1	4.1	4.1	4.1
Net Gearing (%)	13	15	16	16
ROE (%)	2.6	2.7	2.6	2.8
Est. NAV (US\$):			11.6	12.0
Disc. to NAV (%)			(53)	(55)

Earnings Rev (%)		(5)	(2)
Consensus EPS (US\$):		0.44	0.48
Other Broker Recs:	B:10	S:1	H:3

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

Price support from share repurchase

Investment Thesis

BUY with US\$6.61 TP. Following the share price appreciation led by share repurchase, the stock is now trading at a 53% discount to our appraised current NAV. Continued share buybacks should support the share price.

Continued share buybacks to support share price. In early Sep, Hongkong Land announced its intention to invest up to US\$500m in a share repurchase program extending till end-2022. Up to end-Feb 2022, the company has bought back 50.5m shares from the market for US\$272m, which prompted strong share price rally.

COVID resurgence weighs on retail income. The retail market disruption and delayed border re-opening led by the COVID resurgence would inevitably weigh on retail income in FY22. On the other hand, office market downturn in Central showed signs of bottoming out prior to this recent COVID outbreak. Office vacancy of Central portfolio improved to 4.9% on a committed basis in Dec-21 from Jun-21's 5.5% given modest increase in new lettings.

Valuation:

Our target price (TP) for Hongkong Land is premised on a 45% discount to our Dec-2022 NAV estimates.

Where we differ:

We believe the Hongkong Land's Central office portfolio is set to benefit from "flight-to-quality" demand.

Key Risks to Our View:

Any further deterioration in leasing demand for offices in Central and Singapore could drag earnings. Slow demand and property market cooling measures could adversely affect residential sales earnings from China. Cap rate expansion could lead to lower property valuations.

At A Glance

Issued Capital (m shrs)	2,334
Mkt Cap (US\$m)	12,604
Major Shareholders (%)	
Jardine Strategic Holdings Ltd	50.8
Free Float (%)	49.2
3m Avg. Daily Val. (US\$m)	10.57
GICS Industry: Real Estate / Real Estate Management & Development	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

WHAT'S NEW

Rental income remained resilient

Hongkong Land's FY21 underlying profit was broadly stable at US\$966m, 4% below our forecast because of smaller-than-expected growth in development income. The increase in development profit from China was largely offset by higher net financing cost. Final DPS stayed flat at US\$0.16, taking the full-year DPS to US\$0.22.

Gross rental receipts rose by a marginal 1% to US\$947m with increased retail income being offset by lower office revenue. Central office portfolio continued to suffer from negative reversionary growth. Average passing rents fell 2.5% y-o-y to HK\$117psf in 2021. However, with modest recovery in leasing demand from legal firms, wealth management and asset management companies towards the year-end, office vacancy of its Central portfolio improved to 5.2% from Jun-21's 6.4%. On a committed basis, the vacancy was lower at 4.9% (Jun-21: 5.5%). In 2022, 18% of leases are scheduled for expiry or rent review with expiring rents high at HK\$130psf. As such, negative reversionary growth should persist.

Central retail portfolio remained effectively fully let. With reduced rental relief due to improving domestic consumption after the relaxation of social distancing protocols, average retail rents recovered to HK\$190psf from FY20's HK\$164psf. Nonetheless, base rental reversion remained negative during the year.

Singapore office portfolio benefitted from favourable rental growth upon renewals and new lettings. Average office rents rose to S\$10.3psf from 2020's S\$9.9psf. As of Dec-21, the portfolio vacancy remained low at 2.9% on a committed basis (Jun-21: .21%).

WF Central in Beijing witnessed higher tenants' sales and footfall in 2021 on the back of strong luxury retail market sentiment. This led to increased rental contributions from this luxury retail mall.

Operating profit from property development increased 23% due to higher contributions from China as a result of more residential sales completions. Despite weak market sentiment in 2H21, Hongkong Land attained attributable contracted sales of US\$2.65bn in China in 2021, up 24% y-o-y. In Dec-21, sold but unrecognised contracted sales reached US\$2.85bn, of which 62% will be booked in FY22. This points to visible development earnings stream in the years ahead.

In Singapore, the company's contracted sales in attributable terms fell 48% to US\$328m in 2021 as 2020 sales was boosted by the contributions from Parc Esta. Sold but unrecognised sales reached US\$362m in Dec-21. Parc Esta, scheduled for completion in 2022, has been fully pre-sold.

Since Hongkong Land announced its US\$500m share buyback plan in Sep-21, the company has repurchased 50.5m shares from the market for US\$272m in total up to Feb-22. The company could still buy back US\$228m worth of shares before the year-end.

In Apr-21, Hongkong Land launched a new shopping mall in Chongqing with a net leasable area of 72,000sm under a new lifestyle retail brand "The Ring". Besides, the company has three other luxury retail malls and six premium lifestyle retail malls under development in China which altogether offer attributable net leasable area of 259,000sm upon scheduled completion in 2023-26. By then, Hongkong Land would boast a retail property portfolio of 425,000sm in attributable net leasable area terms.

Taking advantage of reduced competition in land market led by tightened credit conditions, Hongkong Land acquired eight sites, primarily for residential use, in China, with developable area of 977,000sm in 2021. They include three in Chengdu, two in each of Chongqing and Wuhan and one in Nanjing. In Singapore, following the acquisition of two joint venture sites for residential use in 2021, the company acquired a 49% interest in another residential site in Feb-22.

Due to land bank replenishment in China and share buyback, the company's net debt increased to US\$5.1bn in Dec-21 from Jun-21's US\$4.3bn. This put its gearing at 15% which remains comfortable. Even allowing for capital outlay for continued share repurchase, there is room for the company to gear up for more land acquisitions to drive its earnings growth.

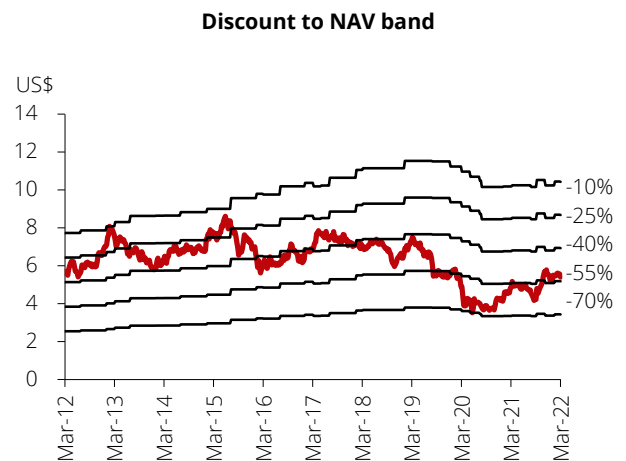
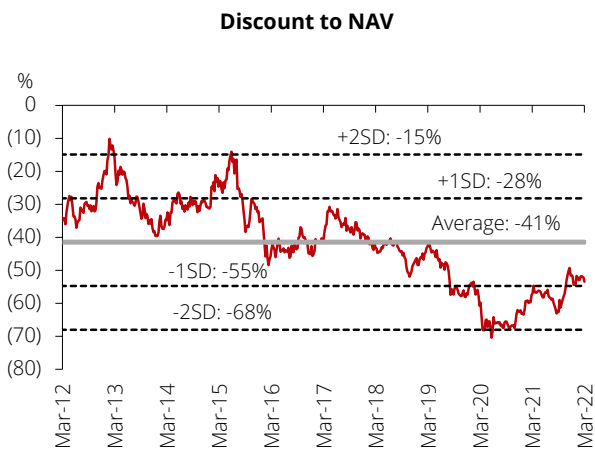
Meanwhile, the stock is trading at a 53% discount to our appraised current NAV, against its 10-year average of 41%. Ongoing share repurchase should help support its share price and sustain its outperformance. Maintain BUY with US\$6.61 TP. This is premised on target discount of 45% to our Dec-22 NAV estimate.

Hongkong Land

Company Background

Hongkong Land is one of Asia's leading property investment, management, and development groups. The Group owns and manages a portfolio of prime and luxury retail properties in key Asian cities, principally in Hong Kong and Singapore. In Feb-20, the company secured a mixed-use site in West Bund of Shanghai via a government auction, for Rmb31.05bn.

Discount to NAV



Source: Bloomberg Finance L.P., DBS HK

Hongkong Land

Result Summary

FY Dec (US\$m)	FY20	FY21	% Chg	Comments
Rental income	937.6	946.7	1	FY21: the growth in retail income largely offset by the decrease in office income from Hong Kong
Service income	147.5	182.3	24	
Sales of properties	1,009.1	1,255.3	24	FY21: due to increased residential sales completion in China
Revenue	2,094.2	2,384.3	14	
Cost of sales	(982.6)	(1,283.9)	31	
Gross profit	1,111.6	1,100.4	(1)	
Other income	37.4	51.5	38	FY21: Include US\$37.6m gains on disposal of a subsidiary
Administrative expenses	(190.0)	(208.5)	10	
Operating profit	959.0	943.4	(2)	
Net financing charges	(115.9)	(155.2)	34	
Share of results of associates and joint ventures	267.5	355.9	33	FY21: increased contributions from residential sales
Profit before tax	1,110.6	1,144.1	3	
Tax	(149.5)	(178.7)	20	
Non-controlling interests	2.2	0.6	(73)	
Underlying profit	963.3	966.0	0	
Interim DPS (US cents)	6.0	6.0	-	
Final DPS (US cents)	16.0	16.0	-	
Total DPS (US cents)	22.0	22.0	-	
Underlying EPS (US cents)	41.3	41.5	1	
NAV (US\$/sh)	15.3	15.1	(2)	

Source: Hongkong Land

Hongkong Land

Key Assumptions (%)

	2022F	2023F
Office rental - HK	0	0
Retail rental (Shopping centre) - HK	0	5

Source: DBS HK

Segmental Breakdown (US\$ m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenues (US\$ m)					
Rental income	999	938	947	912	922
Service and mgmt charges	153	148	182	189	207
Sale of trading properties	1,168	1,009	1,361	1,342	630
Total	2,320	2,094	2,490	2,443	1,759

Source: DBS HK

Income Statement (US\$ m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Turnover	2,320	2,094	2,490	2,443	1,759
EBITDA	1,184	974	960	976	818
Depr / Amort	(14)	(15)	(16)	(17)	(17)
EBIT	1,170	959	943	959	801
Associates Inc	273	268	356	261	490
Interest (Exp)/Inc	(121)	(116)	(155)	(165)	(178)
Exceptionals	0	0	0	0	0
Pre-tax Profit	1,322	1,111	1,144	1,055	1,112
Tax	(247)	(150)	(179)	(151)	(118)
Non-controlling Interest	1	2	1	(21)	0
Underlying Profit	1,076	963	966	883	994
Sales Gth (%)	(13)	(10)	19	(2)	(28)
Net Profit Gth (%)	4	(11)	0	(9)	13
EBITDA Margins (%)	51	47	39	40	46
EBIT Margin (%)	50	46	38	39	46
Tax Rate (%)	19	13	16	14	11

Source: DBS HK

Hongkong Land

Balance Sheet (US\$ m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Fixed Assets	33,331	30,221	28,740	28,754	29,339
Long-term Investments	0	0	0	0	0
Other LT Assets	48	43	32	32	32
Deferred Tax Asset	27	36	68	68	68
Associates/JVs	7,226	8,921	9,515	9,761	10,235
Bank Balance/Cash & Liquid	1,424	1,997	1,480	1,273	1,568
Inventory	2,042	1,949	2,971	2,922	3,127
Debtors	1,141	1,082	1,029	1,114	1,214
Other Non Cash Current	20	14	28	28	28
Total Assets	45,259	44,262	43,863	43,952	45,612
ST Debt	715	690	865	650	651
Creditors	1,461	1,572	2,195	1,845	2,045
Other Current Liab	261	153	203	203	203
LT Debt	4,300	5,875	5,718	6,283	6,682
Deferred Tax Liabilities	211	196	228	228	228
Other LT Liabilities	22	38	36	36	36
Non-controlling Interests	43	29	34	50	45
Shareholder's Equity	38,247	35,709	34,584	34,658	35,722
Total Cap. & Liab.	45,259	44,262	43,863	43,952	45,612
Share Capital (m)	2,334	2,334	2,328	2,282	2,282
Net Cash/(Debt)	(3,591)	(4,568)	(5,104)	(5,660)	(5,765)
Working Capital	2,190	2,627	2,245	2,641	3,040
Net Gearing (%)	9	13	15	16	16

Source: DBS HK

Cash Flow Statement (US\$ m)

FY Dec	2019A	2020A	2021A	2022F	2023F
EBIT	1,170	959	943	959	801
Tax Paid	(116)	(268)	(157)	(151)	(118)
Depr/Amort	14	15	16	17	17
Chg in Wkg.Cap	(161)	346	(306)	133	217
Other Non-Cash	275	(71)	32	(170)	(184)
Operating CF	1,182	981	529	788	732
Net Capex	(170)	(2,015)	(95)	(530)	(330)
Investments	0	0	0	0	0
Associates & JVs	(489)	599	(338)	0	0
Others	0	0	0	0	0
Investing CF	(658)	(1,416)	(432)	(530)	(330)
Net Chg in Debt	25	1,458	76	350	400
New Capital	0	0	(192)	(300)	0
Dividend	(511)	(511)	(510)	(514)	(507)
Other Financing CF	(5)	(5)	(3)	0	0
Financing CF	(491)	943	(629)	(464)	(107)
Chg in Cash	33	508	(533)	(206)	295

Source: DBS HK

Hongkong Land

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	12-Mar-21	US\$5.26	US\$5.07	Hold
2:	30-Jul-21	US\$4.57	US\$5.23	Buy
3:	7-Sep-21	US\$4.20	US\$5.41	Buy
4:	15-Nov-21	US\$5.68	US\$6.55	Buy
5:	17-Jan-22	US\$5.45	US\$6.64	Buy

Source: DBS HK

Analyst: Jeff Yau

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: 4 Mar 2022 13:29:38 (HKT)

Dissemination Date: 4 Mar 2022 14:45:09 (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 Hongkong Land Holdings Ltd (HKL SP) recommended in this report as of 31 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 6878 8888 for matters arising from, or in connection with the report.
Thailand	<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>
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 / United Arab Emirates	<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 http://www.dbs.com/ae/our--network/default.page.</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>
United States	<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>
Other jurisdictions	<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

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

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

Hongkong Land

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