

People's Ins Co Group of China

Bloomberg: 1339 HK Equity | 601319 CH Equity | Reuters: 1339.HK | 601319.SS

Refer to important disclosures at the end of this report

DBS Group Research . Equity

20 Jun 2022

H: HOLD

Last Traded Price (H) (17 Jun 2022): HK\$2.58 (HSI : 21,075)

Price Target 12-mth (H): HK\$2.72 (5.2% upside) (Prev HK\$2.55)

A: SELL

Last Traded Price (A) (17 Jun 2022): RMB5.06 (CSI300 Index : 4,309)

Price Target 12-mth (A): RMB2.34 (53.7% downside) (Prev RMB2.20)

Analyst

Ken Shih +852 36684184 kenshih@db.com

Manyi Lu +852 36684186 manyilu@db.com

What's New

- Improving P&C business to drive operating profit
- Life business remains under transition with VNB expected to decline 16% y-o-y in FY22F before recovering in FY23F
- Stock offers an attractive dividend yield of 7.5%/8.5% in FY22/23F
- Lift TP to HK\$2.72 and maintain HOLD. Within the group, we prefer PICC P&C (2328 HK) over PICC (1339 HK)

Improving P&C arm driving growth

Investment Thesis

Life business remains in transition with agent headcount/ VNB to further decline in FY22F. After a 55%/35% decline in life agent headcount and VNB in FY21, we expect agent headcount to decline by a slower 5% y-o-y and VNB to drop by 16% y-o-y in FY22F. VNB margin for Life business may also drop to 4.2% on product mix shift.

Improving P&C business outlook to drive operating profit growth.

With impact from multi-year auto insurance pricing reform gradually fading, better industry discipline, and improving outlook in non-auto segments, we expect the company's P&C combined ratio to improve to 98.8%/98.6% in FY22/23F, serving as the key driver for operating profit growth.

Business rebalancing needed. With 82% of the company's fair value coming from the P&C segment and 18% from its life/health segment, PICC's share price shows 0.91x correlation with PICC P&C, with the latter as the key driver. We believe profit contribution from life/health would need to improve to re-rate the shares.

Valuation:

Our target price (TP) is based on sum-of-the-parts (SOTP) valuation, which assumes (i) 0.2x FY23F price/embedded value (P/EV) for PICC Life+Health, (ii) share price of HK\$8.02 (as of 13 June 2022) for 68.98%-owned PICC P&C, and (iii) a 20% conglomerate discount.

Where we differ:

Consensus generally holds a positive view on PICC. We are neutral as we believe its life business may continue to suffer from transition, which will impede its near-term growth outlook.

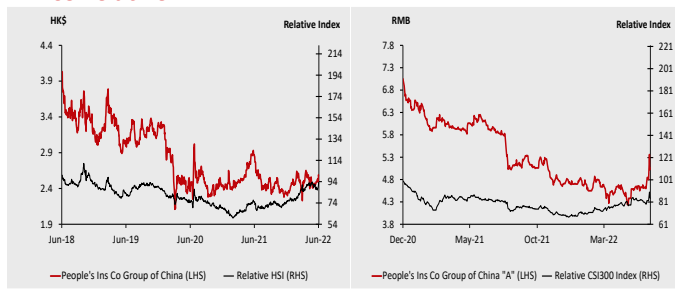
Key Risks to Our View:

Improving life agent productivity, life business VNB and FYP resuming growth, interest rate returning to an upward cycle, and stronger-than-expected economic recovery in China

At A Glance

Issued Capital - H shares (m shs)	8,726
- Non H shrs (m shs)	35,498
H shs as a % of Total	20
Total Mkt Cap (HK\$m/US\$m)	232,435 / 29,610
Major Shareholders (%)	
Ministry of Finance of the People's Republic of China	75.8
National Social Security Fund	16.3
Major H Shareholders (As % of H shares)	
National Social Security Fund	6.0
H Shares-Free Float (%)	94.0
3m Avg. Daily Val. (US\$m)	7.41
GICS Industry: Financials / Insurance	

Price Relative



Forecasts and Valuation (H Shares)

FY Dec (RMBm)	2020A	2021A	2022F	2023F
Net earned premiums	520,581	529,891	569,580	617,429
Net investment income	45,328	49,497	48,548	53,916
Net Profit	20,036	21,476	20,208	22,940
EPS (RMB)	0.45	0.49	0.46	0.52
EPS (HK\$)	0.53	0.57	0.53	0.61
EPS Gth (%)	(9.5)	7.2	(5.9)	13.5
PE (X)	4.9	4.5	4.8	4.3
DPS (HK\$)	0.14	0.20	0.19	0.21
Net Div Yield (%)	5.4	7.7	7.2	8.2
BV Per Share (HK\$)	7.23	7.85	8.44	9.14
P/Book Value (X)	0.4	0.3	0.3	0.3
P/EV (X)	0.4	0.3	0.3	0.3
ROAE (%)	10.4	10.2	9.0	9.6

Earnings Rev (%): (15) (9)
 Consensus EPS (RMB) 0.55 0.64
 Other Broker Recs: B:19 S:0 H:7

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



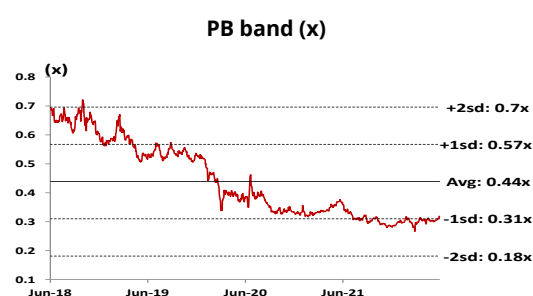
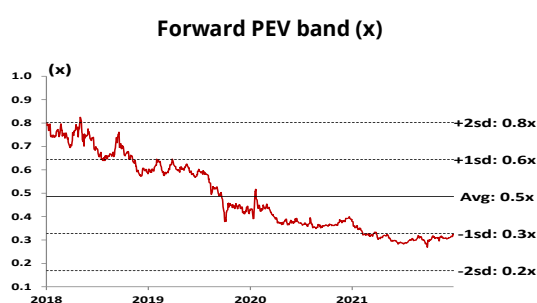
Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

People's Ins Co Group of China**Company Background**

PICC was established in 1949 as the first nationwide insurer in China. It was listed on the HKEX in 2012. The company operates the P&C business via PICC P&C and PICC Hong Kong and the life and health businesses via PICC Life and PICC Health. In FY21, its total assets and equity were Rmb1,377bn and Rmb297bn respectively.

Historical PEV and PB band

People's Ins Co Group of China

Key Assumptions(For China Insurance)

FY Dec	2019A	2020A	2021A	2022F	2023F
Gross written premium growth	11.4	1.5	3.9	8.1	8.4
Agency growth	59.3	5.9	(55.1)	(5.0)	0.0
Agency productivity growth	26.9	(15.7)	9.4	25.0	8.0
Expense ratio	N/A	N/A	N/A	N/A	N/A
Loss ratio	0.0	0.0	0.0	0.0	0.0
Combined ratio	0.0	0.0	0.0	0.0	0.0
VNB margin	12.2	11.1	6.6	4.2	4.0
Net investment return	3.8	3.6	3.4	3.3	3.2
Total investment return	3.8	3.6	3.4	3.3	3.2
EV growth	26.1	14.8	8.9	4.9	6.0
Solvency ratio	247.8	237.5	197.5	176.1	162.7

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Total weighted premium income	0	0	0	0	0
Gross written premiums	555,251	563,608	585,425	632,698	685,752
Net earned premium	501,508	520,581	529,891	569,580	617,429
Investment income	36,629	45,328	49,497	48,548	53,916
Other operating income	14,369	23,706	26,007	18,239	19,383
Total income	552,506	589,615	605,395	636,367	690,728
Benefits and claims	(365,872)	(390,847)	(434,192)	(454,864)	(491,091)
Underwriting and policy acquisition costs	(66,448)	(62,489)	(50,939)	(64,310)	(69,627)
Finance cost	(5,807)	(5,689)	(5,549)	(5,610)	(6,732)
Other expenses	(97,798)	(110,393)	(92,697)	(90,140)	(97,419)
Total expenses	(535,925)	(569,418)	(583,377)	(614,923)	(664,869)
Share of profit of associated and JVs	12,566	11,413	13,571	13,097	13,333
Profit before tax	29,147	31,610	35,589	34,540	39,192
Income tax expense	2,134	(3,377)	(5,219)	(4,699)	(5,610)
Minority interest	(9,146)	(8,197)	(8,894)	(9,633)	(10,642)
Preferred dividend	0	0	0	0	0
Net income attributable to shareholders	22,135	20,036	21,476	20,208	22,940

Source: Company, DBS HK

People's Ins Co Group of China

Balance Sheet(RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Total Investment	978,212	1,088,851	1,196,920	1,316,612	1,448,273
Segregated funds net assets	0	0	0	0	0
Property, plant and equipment	26,340	34,028	33,357	33,357	33,357
Other assets	128,677	133,185	146,580	207,364	287,884
Total assets	1,133,229	1,256,064	1,376,857	1,557,333	1,769,514
Net life reserves - traditional	618,959	674,272	773,098	922,127	1,081,940
Net life reserves - investment contracts	40,030	38,671	44,252	24,108	13,492
Segregated funds net liabilities	0	0	0	0	0
Other Liabilities	226,940	269,565	262,614	291,882	328,357
Total liabilities	885,929	982,508	1,079,964	1,238,117	1,423,789
Shareholder's equity	183,452	202,480	219,256	231,946	247,814
Participating policyholders' equity	0	0	0	0	0
Minority interest	63,848	71,076	77,637	87,270	97,912
Total equity	247,300	273,556	296,893	319,216	345,725

Source: Company, DBS HK

Key Financials & Ratios

FY Dec	2019A	2020A	2021A	2022F	2023F
Du Pont analysis (%)					
Net profit / premium income	4.4	3.8	4.1	3.5	3.7
Premium income / total asset	44.3	41.4	38.5	36.6	34.9
Total asset / total equity	5	5	5	5	5
Return on equity	13.2	10.4	10.2	9.0	9.6
Embedded value(RMB m)					
Book value	183,452	202,480	219,256	231,946	247,814
Adjusted items	16,291	22,991	55,014	52,072	49,750
Adjusted book value	199,743	225,471	274,270	284,018	297,564
Value-in-force	39,296	41,126	44,963	49,584	54,709
Adjustment (if any)	(18,509)	(21,364)	(23,265)	(24,522)	(26,101)
Group embedded value	220,531	245,233	295,968	309,079	326,171
Per share analysis(RMB)					
EPS	0.50	0.45	0.49	0.46	0.52
BPS	5.59	6.19	6.71	7.22	7.82
DPS	0.12	0.12	0.17	0.16	0.18
EVPS	4.99	5.55	6.69	6.99	7.38
Capital Strength (%)					
Leverage ratio	5	5	5	5	5
Solvency ratio	247.8	237.5	197.5	176.1	162.7

Source: Company, DBS HK

People's Ins Co Group of China

H Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	9-Aug-21	HK\$2.39	HK\$2.50	Hold
2:	13-Dec-21	HK\$2.34	HK\$2.55	Hold

Source: DBS HK

Analyst: Ken Shih
Manyi Lu

A Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	9-Aug-21	RMB5.02	RMB2.15	Sell
2:	13-Dec-21	RMB4.82	RMB2.20	Sell

Source: DBS HK

Analyst: Ken Shih
Manyi Lu

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: 20 Jun 2022 09:05:20 (HKT)

Dissemination Date: 20 Jun 2022 15:39:51 (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"), DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), DBSVI, DBSVTH, DBS Vickers Securities (UK) Ltd (DBSVUK"), DBS Vickers Securities (USA) Inc ("DBSV USA"), DBS Bank Ltd (London Branch) ("DBS UK"), 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 do not have a proprietary position in the securities recommended in this report as of 16 Jun 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 Sirithanarattanakul] 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 Bank Ltd, London Branch ("DBS UK"). DBS Bank Ltd is regulated by the Monetary Authority of Singapore. DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, 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 UK. 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	<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

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam

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

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong

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