Singapore Market Focus

Singapore Market Focus

Refer to important disclosures at the end of this report

DBS Group Research . Equity

27 May 2022

Tactical bounce for rate hike casualties

- Tactical low around mid-June as rate hike fears peak
- Positive 1Q22 earnings revision places support at STI 3142
- Bargain hunt rate hike casualties, stay positive on reopening
- Consumer staples and telcos are a stagflation hedge

Forming a near-term base. We see a base building month ahead with June marking a peak in rate hike worries. Similarly, our rates strategist keeps his view for inflation fears to peak in 2Q and improve thereafter. We see support at STI 3142 as valuation is inexpensive at 12.2x (-1SD) 12-mth forward PE. A base in June followed by a July recovery is in line with STI's seasonal trend that had guided us to expect a weak May.

Positive 1Q22 earnings revision. The recent results season saw earnings revision of+2.6% for FY22 and +3.1% for FY23 for companies under our coverage. STI's EPS growth forecast stands at a double-digit rate of 11.3% in FY22F and 15.9% for FY23F. SIA has almost single handedly lifted the earnings revision for the industrial sector that helped offset modest downward revisions for banks - UOB and OCBC. Higher CPO prices buoyed a 17% lift in FY22F earnings for consumer staples led by First Resources and Bumitama Agri.

Rate hike casualties approaching a tactical low. We seek bargain hunting opportunities post the market sell-off in May. Technology and REITs, which have underperformed YTD, should stabilize and attempt a recovery as rate hike fears peak. Our technology picks are AEM and Venture Corp. Leveraging off our recent REITs report titled Bank the winners, our picks are MINT, FLT and KREIT.

Reopening remains in favour. We stay positive on the reopening theme. Pent-up travel demand among locals and inbound tourists will make up for some of the slag from China's zero-COVID policy that is likely to remain through 3Q22 at least. Our picks are SATS, SIA, ART, CDL HT and Genting for reopening of air borders; FCT, LREIT, CICT and ComfortDelgro for easing domestic restrictions.

Grocers and telcos are a stagflation hedge. Our base view is for the Singapore economy to grow by 3.5% y-o-y for 2022. While stagflation risk is low in Singapore, worries about a global economic slowdown or even recession has risen. There are few winners in an economic recession or worse, stagflation. For investors who seek a hedge against such a scenario, unlikely at this juncture, consumer staples such as grocery retail, Sheng Siong, and telco SingTel are outperformers.

STI : 3,209.18

Analyst
Kee Yan YEO, CMT +65 6682 3706 keeyan@dbs.com
Janice CHUA +65 6682 3692 janicechuast@dbs.com
Woon Bing Yong +65 6682 3704 woonbingyong@dbs.com

Key Indices

	Current	% Chng
FS STI Index	3,209.18	0.0%
FS Small Cap Index	302.27	0.0%
SGD Curncy	1.38	0.0%
Daily Volume (m)	1,780	
Daily Turnover (S$m)	1,167	
Daily Turnover (US$m)	1,610	

Source: Bloomberg Finance L.P.

Market Key Data

(%)	EPS Gth	Div Yield
2021	59.7	3.9
2022F	11.8	4.0
2023F	14.4	4.4

(x)	PER	EV/EBITDA
2021	15.8	16.2
2022F	14.1	15.1
2023FF	12.3	13.1

STOCKS

	Price S$	Mkt Cap US$m	12-mth Target S$	Performance (%) 3 mth	12 mth	Rating
AEM Holdings Ltd	4.29	964	6.04	6.5	20.5	BUY
Venture Corporatior	17.19	3,631	22.70	(0.1)	(8.1)	BUY
Mapletree Industrial Trust	2.41	4,661	3.05	(5.1)	(14.3)	BUY
Singapore Airlines	5.49	11,842	6.20	11.1	13.0	BUY
SATS Ltd	4.56	3,719	4.90	14.9	21.6	BUY
Ascott Residence Trust	1.12	2,673	1.40	8.7	16.1	BUY
CDL Hospitality Trusts	1.24	1,110	1.55	8.8	5.1	BUY
Frasers Centrepoint Trust	2.28	2,819	2.90	0.9	(0.4)	BUY
Keppel REIT	1.15	3,104	1.40	2.7	(1.7)	BUY
Sheng Siong Group	1.54	1,683	1.76	3.4	(4.9)	BUY

Source: DBS Bank, Bloomberg Finance L.P.
Closing price as of 26 May 2022

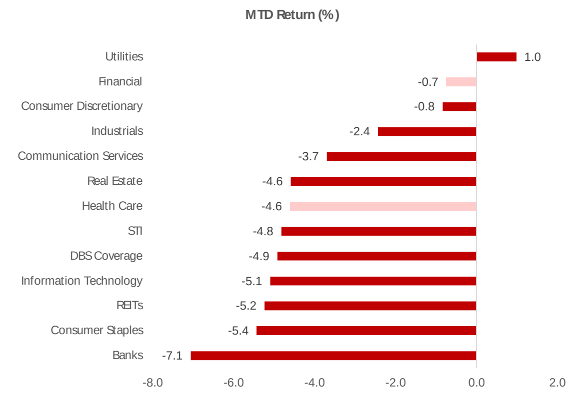
Tactical bounce for rate hike casualties

June Market Outlook

Sell in May and go away?

- STI fell 4.8% MTD on recession woes and China lockdown
- Banks (UOB, OCBC) plunged 7.1% as worries of slower loan growth outweighed the positives of rising yields
- Consumer staples underperformed following Wilmar's trading ex-dividend and Chinese associate Yihai Kerry Arawana potentially affected by China's COVID lockdown
- Financials outperformed although the sector still recorded a negative return. SGX was flat as the Group arguably benefited from market volatility volumes
- Thai Beverage supported the outperformance of consumer discretionary as positivity over Thailand and Vietnam's reopening mitigated the negative macro sentiment

FTSE ST Indices' relative performance for May



Source: DBS Bank

Another 50bps hike in the offing

- MAS Quarterly Survey of Professional Forecasters
  - Previous survey sought views on Singapore's economy from 26 economists and analysts
- US Federal Reserve Meeting
  - US Fed Chairman has sounded increasingly hawkish, pledging to continue tightening until inflation eases
  - Market is pricing in another 50bps hike at the June meeting

June event calendar

Date	Event	Comments
8 June	MAS Quarterly Survey of Professional Forecasters	Survey to reveal expected economic health of Singapore
14 June	US Federal Reserve Meeting	US Fed expected to raise rates by another 0.5%

Source: Various news sources, DBS Bank

Are inflation fears peaking?

- US April CPI +8.3% y-o-y, higher than expectations of +8.1% but lower than prior month's +8.5%
- Our interest rates strategist maintains his view that 2Q22 will mark peak inflation fears
  - Deteriorating financial conditions → not easy for the FED to sound much more hawkish than it already is
  - Watching for signs of peaking inflationary pressures in coming few months
- US 10-yr yield eased off the 3.126% high in early May, currently at 2.77% as economic recession worries edge up
- Watch this space as REITs and technology should recover if inflation fears peak and yields retreat

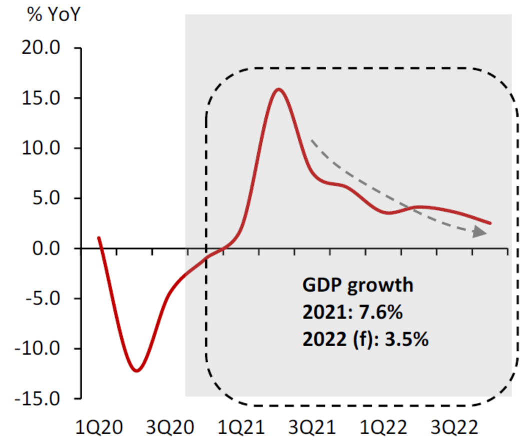
US 10-yr yields (Daily)

Source: DBS Bank

Ministry of Trade and Industry: Stronger outlook for reopening and electronics even as external demand weakens

- Singapore 2022 GDP forecast is likely to come at the lower half of the +3-5% y-o-y range given the weaker external demand outlook, according to MTI
- Ukraine war, faster-than-expected FED rate hikes, China slowdown and supply chain disruptions were risks cited
- Bright spots are aviation, tourism and consumer-facing industries as well as electronics amid global demand for semiconductors, cloud services and data centres
- Weaker outlook for chemicals, wholesale trade and water transport
- Trade agency Enterprise Singapore upgrades 2022 NODX growth forecast to +3% to +5% (prev. 0 to +2%)

DBS forecast for GDP growth trajectory



Source: DBS Bank

A balanced quarter of results

- 49 companies reported in line results, 11 companies beating and 12 companies underperforming expectations
- Consumer staples outperformed as First Resources and Bumitama Agri benefited from soaring CPO prices
- Information Technology delivered a mixed performance
  - Venture beat expectations amid robust demand across most of its domains and a good response to its new product launches
  - AEM's outperformance came on the back of strong demand for its new generation equipment and tools.
  - But Aztech Global and Frencken's earnings were below expectations as inflation pressures and supply chain bottlenecks compressed margins. Frencken's results was also impacted by its investment in new growth pillars
- Higher financing costs dented performance of some REITs
  - EC World REIT was impacted by higher financing costs and pre-termination of the Fu Zhuo Industrial lease
  - ARA US Hospitality saw lower than expected corporate demand for travel although forward bookings were encouraging

Earnings relative to expectations

	Above	Below	In Line	Total
Banks	1	1	1	3
Comm Services	1		2	3
Consumer Disc.			3	3
Consumer Staples	3	1	1	5
Financial		1		1
Health Care		1	1	2
Industrials	1	1	5	7
Info Technology	3	2	3	8
Real Estate			6	6
REITs	2	5	26	33
Utilities			1	1
DBS Coverage	11	12	49	72

Source: Bloomberg Finance L.P., DBS Bank

Tactical bounce for rate hike casualties

Live more, Bank less

Positive earnings revision led by industrials and consumer staples

- Earnings revision of +2.6% for FY22 and +3.1% for FY23 for companies under our coverage
- Banks: Moderate downward revision due to higher staff cost and lower non-interest income for UOB, potential headwinds for OCBC
- Industrials: higher sector earnings of 25.3% for FY22 and 16.5% for FY23 largely due to Singapore Airlines' return to profitability in FY22F on expectations of strong travel demand
- Consumer staples: Higher CPO prices buoyed a 17% change in FY22F earnings led by First Resources and Bumitama Agri
- Financial: iFast Corporation's earnings cut amid high operating costs from spending on new initiatives
- Health care: Slightly lower earnings expectations due to higher operating costs for Riverstone

Earnings revision by sector (q-o-q)

Current vs Previous Earnings Change (%)		
Sector	FY22 Chng	FY23 Chng
Banks	-1.2%	3.2%
Communication Services	0.0%	0.0%
Consumer Discretionary	-1.3%	-1.1%
Consumer Staples	17.5%	1.9%
Financial	-2.0%	-2.3%
Health Care	-2.1%	-2.1%
Industrials	25.5%	16.7%
Information Technology	-2%	-2%
Real Estate	0.1%	0.1%
REITs	0.2%	0.7%
Grand Total	2.6%	3.1%

Source: Bloomberg Finance L.P., DBS Bank

Earnings diverge for COVID beneficiaries and casualties

- Banks: Maintain double digit EPS growth despite latest earnings cut
- Consumer discretionary: Earnings recovery for Genting Singapore's earnings as tourists return
- Healthcare: Change in fortunes for COVID-19 beneficiaries such as Riverstone as demand for their products normalize
- Industrials: 122 .1% earnings growth for FY22 mostly due to SIA, followed by ComfortDelGro
- Information Technology: Despite supply chain woes affecting stocks such as Frencken, overall sector is lifted by strong demand for Venture's and AEM's products
- Real Estate: Earnings contraction for HKL and CLI, offset by growth for local developers UOL and CityDev

Sector earnings and valuation

	Earnings Growth (%)		PER (x)		Div Yld (%)	
	22F	23F	22F	23F	22F	23F
Banks	10.6	16.2	10.4	9.0	4.4	4.8
Comm Svcs	5.1	11.8	21.2	19.0	3.6	3.9
Cons Disc.	22.6	16.4	17.6	15.1	3.2	3.6
Con Staples	5.6	7.7	11.1	10.3	3.7	3.9
Financial	-4.3	14.8	25.9	22.6	3.0	3.1
Health Care	-34.2	7.0	28.7	26.8	1.4	1.4
Industrials	122.1	37.4	18.8	13.7	2.7	3.3
Info Tech	17.5	11.4	13.3	12.0	3.3	3.5
Real Estate	-10.4	12.1	15.5	13.9	3.1	3.1
REITs	8.0	6.0	17.0	16.1	5.8	5.9
Grand Total	11.0	14.8	14.3	12.4	4.0	4.3
Ex Property	14.0	15.1	14.1	12.3	4.1	4.4
STI DBS forecast	11.3	15.9	13.2	11.4	3.4	3.6

Source: Bloomberg Finance L.P., DBS Bank

Forming a near-term base

- STI's 4.8% drop in May is within our expectation for the STI to start its seasonally weak period that should stretch several months
- Our updated view on 13 May for the STI to rebound off 3142 towards 3250 also panned out as expected
- We see June to be a month of base building with the 3142-support level staying valid
  - 50bps hike at the June-July FED meeting well anticipated
  - Market expectation for the number of FED rate hikes this year (another 175bps) has stopped rising in recent weeks
  - Our rates strategist maintains his view that inflation fears should peak in 2Q and improve beyond that
  - Inexpensive valuation at 12.2x (-1SD) 12-mth fwd PE at STI 3142

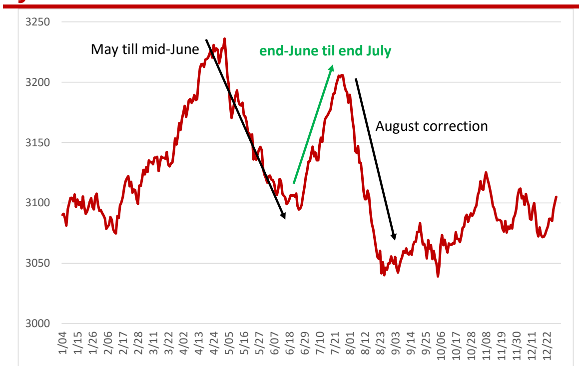
Straits Times Index (Daily)

Source: DBS Bank

Stocks to bargain hunt post May sell-down

We seek bargain hunting opportunities post May market sell-off. STI's seasonality trend during non-crisis years from 2010 to 2019 reveals a decline from May to mid-June followed by a recovery or rebound that stretches till end-July. While it's not possible to pinpoint the exact reversal date, we think this year should be no exception.

STI seasonality trend between non-crisis years from 2010 to 2019



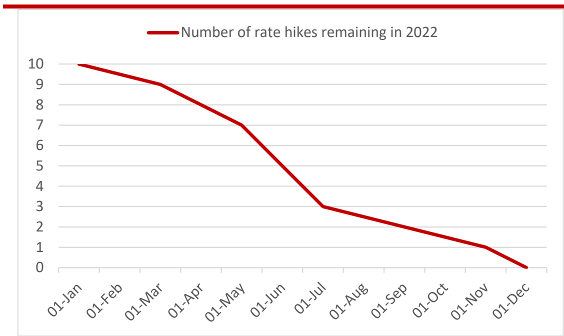
Source: DBS Bank

FED rate hikes schedule is well anticipated. The FED is seen front loading rate increases by delivering 50bps hikes each at the May, June and July FOMC meetings and 25bps beyond that. Market expects a total of 10 x 25bps hikes this year. There are 5 more hikes after the June FOMC meeting and 3 after the July meeting.

With these observations, we think the rate hike fear factor this year should peak at around the 15 June FOMC meeting. Our rates strategist maintains his view that inflation fears should peak in 2Q and improve beyond that.

Furthermore, STI's valuation is inexpensive at the recent low of 3165 that coincides closely with 12.2x (-1SD) 12-mth forward PE.

2022 rate hikes fear factor



Source: DBS Bank

Sell-off on rate hike casualties ending soon

Technology and REITs, which underperformed YTD, should stabilize, and attempt a recovery as rate hike fears peak and subside.

Our technology picks are AEM and Venture Corp. Both stocks reported 1Q earnings that were above expectations.

AEM is well positioned to benefit from the strong industry outlook for semiconductors and strong systems level testing demand. It has mitigated supply chain disruptions with proactive inventory management. Inventories increased by 25% to $256.2m in 1Q22. AEM now has higher inventory levels of 3-6 months (prev. 2-3 months).

Venture Corp offers strong growth momentum, supportive PE valuation and attractive yield. VMS has been able to build on its capabilities to attract quality customers and recent new product launches have been well received. The stock price trades at c.14.5x fwd PE that is just modestly above its 13.5x (-1SD) 4-yr fwd PE valuation despite expectations of 11% EPS growth this year. Yield is at 4.4%.

Leveraging off our latest REITs report titled Bank the winners, our REITs picks are MINT, FLT and KREIT.

We like MINT for its resilience and steady growth profile amid the current market volatility. MINT now derives c.51% of its AUM from datacentres and will continue to add strategically in this space. The recent correction has brought P/NAV down to 1.3x with forward yields of about 5.8%, close to average levels.

FLT has the lowest gearing among peers and a debt headroom c.S$1.3bn before gearing reaches 40%. A large cash balance of c.S$300m lets it fund an acquisition and drive further accretion to earnings. It also has a large ROFR pipeline valued at >S$5.0bn.

KREIT's best-in-class office portfolio is well positioned to ride on the rising office market in Singapore. Given the recent commercial S-REITs merger between CapitaLand Mall Trust and CapitaLand Commercial Trust to form CapitaLand Integrated Commercial Trust (CICT), KREIT is the last remaining office pure play which we believe investors will eventually favour and assign a premium to its unique attribute. Valuation remains attractive at c.5% FY22F yield and 0.9x P/NAV.

Stock picks among 'rate hike casualties'

Company	Price 23 May 2022 (S$)	Target Price S$) (12 mth)	Target Return	Mkt Cap (S$m)	Rcmd	PER 22 (x)	PER 23 (x)	EPS Growth 22 (%)	Div Yield 22 (%)	Net Debt / Equity 22	P/BV 21 (x)
AEM	4.37	6.04	38%	1,351	BUY	10.9	9.8	34.5	2.3	cash	3.3
Venture Corp	17.36	22.7	31%	5,044	BUY	14.5	13.6	11.4	4.3	cash	1.9
MINT	2.44	3.05	25%	6,493	BUY	18.3	17.2	-20.9	5.7	0.4	1.2
KREIT	1.14	1.4	23%	4,233	BUY	26.5	24.6	6.1	5.3	0.4	0.9
FLT	1.34	1.75	30%	4,946	BUY	20.1	20	81.1	5.7	0.3	1.1

Source: DBS Bank

Reopening remains in favour

We stay positive on the reopening theme. Pent-up travel demand among locals and inbound tourists will make up for some of the slag from China's zero-COVID policy that is likely to remain through 3Q22 at least.

Our picks are SATS, SIA, ART, CDL HT and Genting for air borders reopening; FCT, LREIT, CICT and ComfortDelgro for domestic restrictions easing.

Reopening stock picks

Company	Price 23 May 2022	Target Price (S$)	Target Return	Mkt Cap (S$m)	Rcmd	PER 22 (x)	PER 23 (x)	EPS Growth 22 (%)	Div Yield 22 (%)	Net Debt / Equity 22	P/BV 21 (x)
SIA	5.48	6.2	13%	16,262	BUY	24.8	14.9	nm	1.2	cash	1.6
SATS	4.55	4.9	8%	5,106	BUY	42.6	21.1	158.5	1.3	cash	3.2
Genting SP	0.79	1	27%	9,537	BUY	31.2	17.9	67.1	2.5	cash	1.2
ART	1.12	1.4	25%	3,678	BUY	25.3	20.3	nm	5.1	0.3	0.9
CDL HT	1.26	1.55	23%	1,551	BUY	44.9	27.8	42.7	4.3	0.4	0.9
ComfortDelgro	1.47	1.95	32%	3,185	BUY	19.2	14.3	27.4	3.4	cash	1.2
CICT	2.24	2.7	21%	14,832	BUY	22.1	20.2	-18.4	4.8	0.4	1.1
FCT	2.31	2.9	26%	3,930	BUY	19.2	18.2	0.5	5.5	0.3	1
LREIT	0.8	1.06	32%	953	BUY	19.1	17.4	66.3	6	0.4	1

Source: DBS Bank

Tactical bounce for rate hike casualties

Consumer staples and telcos are a hedge against stagflation risk

Our base view remains for the Singapore economy to grow by 3.5% y-o-y for 2022. MTI's toned-down Singapore 2022 GDP forecast at the lower half of the +3 to 5% y-o-y range is in line with our economist's current view for +3.5% GDP growth. While stagflation risk is low here in Singapore, worries about a global economic slowdown or even recession has risen. This is reflected in the pullback in US 10-yr yield in recent weeks amid a flight to safety. Market expectation for number of FED rate hikes has also stopped at 10 since early May.

US 10-yr yield eased from 3.19% high since 9 May

Source: DBS Bank

There are few winners in an economic recession or worse, stagflation. For investors who seek a hedge against such a scenario, unlikely as it is currently, consumer staples such as grocers Sheng Siong and telco SingTel are likely outperformers.

For Sheng Siong, demand normalization from the easing of Singapore domestic COVID restrictions is offset by organic growth from higher store count. Further upside for the company could also come in the form of changing consumer patterns, where consumers opt to eat at home as the cost of eating out rises.

SingTel is our preferred pick among the 2 listed telcos. A 9% annual earnings growth over FY22-24F is seen driven by associate Bharti Airtel. It's also a value unlocking play through asset divestments. Our analyst thinks Singtel is exploring a partial sale of its fibre assets in Australia that should fund Australia Tower Network's recent purchase of Axicom for A$3.58bil.

Besides grocers and telcos, investors may also look to build a recession resilient portfolio through semiconductor/ technology and reopening themes. Our stock picks are highlighted in the prior section.

Stocks to edge against recession and stagflation risks

Company	Price 23 May 2022 (S$)	Target Price (S$)	Target Return	Mkt Cap (S$m)	Rcmd	PER 22 (x)	PER 23 (x)	EPS Growth 22 (%)	EPS Growth 23 (%)	Div Yield 22 (%)	Net Debt / Equity 22	P/BV 21 (x)
Sheng Siong	1.52	1.76	16%	2,285	BUY	18.2	17.2	-5.3	5.5	3.9	cash	5.5
SingTel	2.67	3.13	17%	44,076	BUY	19.5	18	20.3	8.7	3.6	0.4	1.6

Source: DBS Bank

DBS Bank 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: 27 May 2022 06:45:52 (SGT)
Dissemination Date: 27 May 2022 08:31:49 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), DBSVI, DBSVTH, 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 Bank Ltd.

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, 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.

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.

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[1] 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[2] 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, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates have proprietary positions in AEM Holdings, Venture Corporation, Mapletree Industrial Trust, Singapore Airlines Limited, SATS, Ascott Residence Trust, CDL Hospitality Trusts, Frasers Centrepoint Trust, Keppel REIT, Sheng Siong Group, UOB, OCBC, Frasers Logistics & Commercial Trust, Genting Singapore, LendLease Global Commercial REIT, CapitaLand Integrated Commercial Trust, ComfortDelgro, SingTel, Wilmar International, Singapore Exchange, Thai Beverage Public Company, ARA US Hospitality Trust, iFAST Corporation, Hong Kong Land, CapitaLand Investment Ltd, UOL Group, City Developments, recommended in this report as of 30 Apr 2022.
2. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in Mapletree Industrial Trust, Frasers Centrepoint Trust, Frasers Logistics & Commercial Trust, LendLease Global Commercial REIT, ComfortDelgro, ARA US Hospitality Trust, , recommended in this report as of 30 Apr 2022.
3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA or their subsidiaries and/or other affiliates beneficially own a total of 1% of any class of common equity securities of Mapletree Industrial Trust, Frasers Centrepoint Trust, Frasers Logistics & Commercial Trust, LendLease Global Commercial REIT, ARA US Hospitality Trust, as of 30 Apr 2022.

[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.

Compensation for investment banking services:

4. DBS Bank Ltd, DBS HK, DBSVS their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from Mapletree Industrial Trust, Singapore Airlines Limited, Ascott Residence Trust, Keppel REIT, Frasers Logistics & Commercial Trust, LendLease Global Commercial REIT, SingTel, Singapore Exchange, Hong Kong Land, CapitaLand Investment Ltd, UOL Group, as of 30 Apr 2022.
5. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for Mapletree Industrial Trust, Singapore Airlines Limited, Ascott Residence Trust, Keppel REIT, Frasers Logistics & Commercial Trust, LendLease Global Commercial REIT, SingTel, Singapore Exchange, CapitaLand Investment Ltd, UOL Group, , in the past 12 months, as of 30 Apr 2022.
6. 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.

Directorship/trustee interests:

7. Peter Seah Lim Huat, Chairman & Director of DBS Group Holdings, is a Director / Chairman of Singapore Airlines Limited as of 31 Mar 2022.
8. Sok Hui CHNG, a member of DBS Group Management Committee, is a Director of Singapore Exchange as of 02 May 2022.
9. Tham Sai Choy, a member of DBS Group Holdings Board of Directors, is a Chairman of SGX Listings Advisory Committee as of 31 Mar 2022.
10. Anthony LIM Weng Kin, a member of DBS Group Holdings Board of Directors, is a Director of CapitaLand Investment Ltd as of 31 Mar 2022.

Disclosure of previous investment recommendation produced:

11. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates 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 Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

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	This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946. 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 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. Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.
Hong Kong	This report has been prepared by a person(s) who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore. For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	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. Wong Ming Tek, Executive Director, ADBSR
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	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd. For any query regarding the materials herein, please contact [Chanpen Sirithanarattanakul] at [research@th.dbs.com]
United Kingdom	This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore. This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). 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. 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.
Dubai International Financial Centre	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. 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. 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. 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. 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). 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. 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.

United States	This report was prepared by DBS Bank Ltd. 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.
Other jurisdictions	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.

DBS Regional Research Offices

HONG KONG
DBS (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