

Singapore Company Update

Guocoland

Bloomberg: **GUOL SP** | Reuters: **GUOC.SI**

Refer to important disclosures at the end of this report

DBS Group Research . Equity

2 Sep 2022

DBS is supported by the Research Talent Development Grant Scheme, which aims to groom research talent to expand research coverage of small to mid-cap SGX-listed companies

BUY

Last Traded Price (1 Sep 2022): S\$1.67 (STI : 3,224.08)
Price Target 12-mth: S\$2.30 (38% upside)

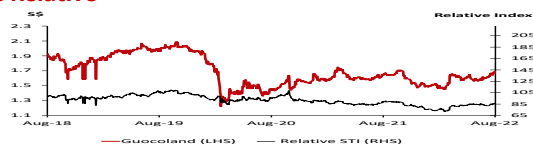
Analysts

Tabitha FOO +65 66823707 tabithafoo@dbs.com
Derek TAN +65 6682 3716 derektan@dbs.com

What's New

- FY22 net profit up 132% y-o-y to S\$392.7m, on fair value gains from Guoco Tower and Guoco Midtown
- Property development to remain key driver; look out for Lentor rejuvenation with two new launches
- Deeper focus on property investment in the office upcycle; Guoco Midtown contribution to start in FY23
- Maintain BUY and unchanged TP of S\$2.30

Price Relative



Forecasts and Valuation

FY Jun (\$m)	2021A	2022A	2023F	2024F
Revenue	854	966	1,205	1,406
EBITDA	351	635	350	423
Pre-tax Profit	240	540	236	309
Net Profit	172	393	175	229
Net Pft (Pre Ex.)	172	378	175	229
Net Pft Gth (Pre-ex) (%)	51.4	120.4	(53.8)	31.0
EPS (S cts)	15.5	35.4	15.8	20.7
EPS Pre Ex. (S cts)	15.5	34.1	15.8	20.7
EPS Gth Pre Ex (%)	51	120	(54)	31
Diluted EPS (S cts)	15.5	35.4	15.8	20.7
Net DPS (S cts)	6.00	6.00	6.00	6.00
BV Per Share (S cts)	360	386	396	410
PE (X)	10.8	4.7	10.6	8.1
PE Pre Ex. (X)	10.8	4.9	10.6	8.1
P/Cash Flow (X)	4.8	nm	14.2	5.9
EV/EBITDA (X)	19.3	11.7	21.6	17.7
Net Div Yield (%)	3.6	3.6	3.6	3.6
P/Book Value (X)	0.5	0.4	0.4	0.4
Net Debt/Equity (X)	0.8	0.9	0.9	0.8
ROAE (%)	4.4	9.5	4.0	5.1

Earnings Rev (%):

Other Broker Recs: B: 1 S: 0 H: 0

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

Exciting times ahead on both property development and investment fronts

Investment Thesis:

A play into future-ready living. GuocoLand's development projects located in Singapore, Malaysia, and China are built to accommodate the rising expectations of comfort and convenience. With the highly anticipated project launches in FY23 to rejuvenate the Lentor district, similar to GuocoLand's achievement in the Bugis district with Guoco Midtown, we expect the strong property sales momentum to sustain, driving a 17% revenue CAGR from FY21-24F for this segment.

Beneficiary of office upcycle. We believe that the flight-to-quality trend will lead the office market recovery in Singapore. GuocoLand is well positioned to capitalise on this trend, given that Guoco Midtown is the only source of new supply of CBD Grade A office space in Singapore in 2022-2023, and it will begin its maiden contribution in FY23. This is on top of positive rental reversionary trends expected for Guoco Tower in a tight supply market.

Potential restructuring to crystallise value? Trading at a P/NAV multiple of just 0.44x and with a 3.6% yield, valuations are attractive. With a growing portfolio of commercial assets, the potential securitisation of GuocoLand's income-producing portfolio or conversion into a "stapled security" could be a significant share price catalyst, with potential upside ranging from 50% to 100%.

Valuation:

Maintain BUY and TP of S\$2.30, pegged to a conservative 60% discount to our revalued net asset value (RNAV) of S\$5.70, as the stock is illiquid compared to its larger developer peers.

Where we differ:

We are the only broker covering this stock.

Key Risks to Our View:

Economic slowdown, weak sentiment, faster-than-expected increase in interest rates, and regulatory risks.

At A Glance

Issued Capital (m shrs)	1,183
Mkt. Cap (\$m/US\$m)	1,976 / 1,414
Major Shareholders (%)	
Guoco Group Ltd	70.7
Fairbury Pte Ltd	6.2
Free Float (%)	23.1
3m Avg. Daily Val (US\$m)	0.10
GIC Industry : Real Estate / Real Estate Management & Development	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

Guocoland

WHAT'S NEW

Exciting times ahead on both property development and investment fronts

FY22 net profit 151% above estimate, driven by fair value gains from Guoco Tower and Guoco Midtown. FY22 revenue was in line with our estimate at S\$965.5m, which was mainly contributed by the higher progressive recognition of sales from the group's residential projects in Singapore. Excluding the fair value gains in cost of sales from the transfer of Guoco Changfeng City's South Tower from development properties to investment properties, the gross profit margin remained stable at c.30%. Other income more than doubled to \$354.6m due to higher fair value gains from the group's investment properties, Guoco Tower and Guoco Midtown. The disposal of its Vietnam subsidiaries was completed, resulting in a net profit from discontinued operations of \$14.3m. Profit attributable to equity holders of the company for the year more than doubled to \$392.7m, from S\$169.1m in FY21. A dividend of 6 Scts per share was declared, in line with our estimate; the payout ratio was at c.46% excluding the fair value gains.

Property development segment to remain a key driver.

Revenue increased 12% y-o-y to S\$803.4m in FY22 from S\$716.8m in FY21 on the back of higher progressive recognition of sales. As at 30 June 2022, 79% of Meyer Mansion was sold, 75% of Midtown Modern was sold, 38% of Midtown Bay was sold, and 76% of The Avenir was sold. With sales for Midtown Bay lagging the rest of the projects, management shared that the strategy going forward would be to lease out the unsold properties once it received the TOP, given that the units would command higher rental rates as part of a mixed-use development with access to the network hub in Guoco Midtown.

Pivoting to a deeper focus on the property investment business.

GuocoLand has been steadily growing its property investment business, with 60% of its assets in investment properties as at 30 June 2022. Flagship property Guoco Tower's offices and retail units remained at full occupancy with positive double-digit rental reversions, as it is now in the cycle of reversions after five years. For Guoco Midtown, the pre-commitment take-up rate is at 60%, including several deals in advanced stages of negotiation. Tenant mix will be across a highly diversified group of industries, i.e., no anchor tenant, similar to Guoco Tower, which will help reduce any tenant, sector, or industry concentration risk. 20

Collyer Quay enjoyed a firm occupancy rate of 92%. Management guided that Grade A office rental rates continued to look robust on low new supply and sustained demand. For Guoco Changfeng City, its commitment rate stood at c.85%, while the retail mall was fully leased out.

Positive catalysts to look out for. Lentor Modern, a mixed-use development, is expected to launch in 3Q22 with previews starting on 2 September. Given that this will be the first private condominium launch in the Lentor estate in more than two decades, we believe this project will be highly anticipated and well received. This would form a foundation for its next residential development that is located nearby at Lentor Hills Road Site (Parcel A) and launching in c.6 months. Management guided that they will continue to look to replenish its landbank and build its development pipeline.

Attractive valuation. GuocoLand's NAV per share rose to S\$3.86 as at 30 June 2022 from S\$3.60 as at 30 June 2021. The stock is currently trading at 0.44x P/NAV, which is 0.5SD below its five-year average and lower than its peer average of 0.58x, against decent yields of 3.6% p.a. for FY23F/24F. We believe that the current valuations are attractive, given the company's expertise in mixed-use developments and strong project pre-sales.

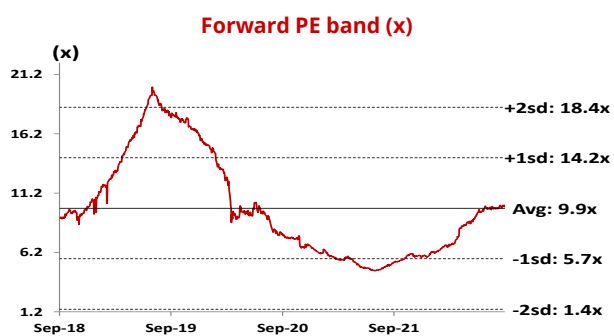
Maintain BUY and unchanged TP of S\$2.30, implying a 38% upside.

Company Background

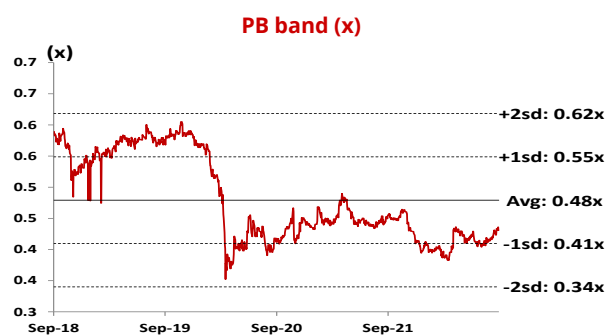
GuocoLand Limited was listed on Singapore Exchange Securities Trading Limited in 1978. Headquartered in Singapore, the principal business activities of GuocoLand and its subsidiaries ("the Group") are property development, property investment, hotel operations and property management.

Guocoland

Historical PE and PB band



Source: Bloomberg Finance L.P., DBS Bank estimates



Source: Bloomberg Finance L.P., DBS Bank estimates

Key Assumptions

FY Jun	2020A	2021A	2022A	2023F	2024F
Development Properties	764	717	803	1,008	1,161
Hotel Operations	51.5	17.9	33.5	54.0	73.8
Rental Income	116	115	126	141	169
Management Fees	2.58	4.44	2.61	2.74	2.87

Source: Company, DBS Bank

Guocoland

Segmental Breakdown

FY Jun	2020A	2021A	2022A
Revenues (\$m)			
GuocoLand Singapore	756	618	698
GuocoLand China	3.40	12.6	105
GuocoLand Malaysia	124	205	128
Others	51.5	17.9	33.5
Total	935	854	965
PAT (\$m)			
GuocoLand Singapore	95.4	223	435
GuocoLand China	(13.5)	(20.7)	86.8
GuocoLand Malaysia	(2.7)	45.2	16.3
Others	10.2	(45.3)	(23.8)
Total	89.4	202	514
PAT Margins (%)			
GuocoLand Singapore	12.6	36.1	62.3
GuocoLand China	(396.8)	(164.6)	82.3
GuocoLand Malaysia	(2.2)	22.0	12.7
Others	19.8	(252.8)	(71.1)
Total	9.6	23.7	53.3

Income Statement (\$m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Revenue	935	854	966	1,205	1,406
Cost of Goods Sold	(636)	(585)	(600)	(800)	(934)
Gross Profit	299	268	366	406	472
Other Opng (Exp)/Inc	(55.9)	54.4	261	(95.9)	(98.8)
Operating Profit	243	323	627	310	373
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	20.9	12.7	(7.7)	24.5	34.7
Net Interest (Exp)/Inc	(108)	(95.7)	(93.9)	(98.7)	(98.7)
Exceptional Gain/(Loss)	0.0	0.0	14.3	0.0	0.0
Pre-tax Profit	156	240	540	236	309
Tax	(66.7)	(37.8)	(57.4)	(37.1)	(48.6)
Minority Interest	24.0	(30.4)	(89.7)	(23.6)	(30.9)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	113	172	393	175	229
Net Profit before Except.	113	172	378	175	229
EBITDA	282	351	635	350	423
Growth					
Revenue Gth (%)	0.8	(8.7)	13.1	24.8	16.6
EBITDA Gth (%)	(35.0)	24.7	80.7	(44.9)	20.9
Opg Profit Gth (%)	(39.7)	32.6	94.3	(50.6)	20.3
Net Profit Gth (Pre-ex) (%)	(55.6)	51.4	120.4	(53.8)	31.0
Margins & Ratio					
Gross Margins (%)	32.0	31.4	37.9	33.7	33.5
Opg Profit Margin (%)	26.0	37.8	65.0	25.7	26.5
Net Profit Margin (%)	12.1	20.1	40.7	14.5	16.3
ROAE (%)	3.0	4.4	9.5	4.0	5.1
ROA (%)	1.1	1.5	3.3	1.4	1.8
ROCE (%)	1.4	2.5	5.0	2.2	2.6
Div Payout Ratio (%)	68.5	38.8	17.0	38.0	29.0
Net Interest Cover (x)	2.2	3.4	6.7	3.1	3.8

Source: Company, DBS Bank

Guocoland

Interim Income Statement (\$m)

FY Jun	2H2020	1H2021	2H2021	1H2022	2H2022
Revenue	363	320	534	453	513
Cost of Goods Sold	(242)	(225)	(361)	(313)	(287)
Gross Profit	121	95.0	173	140	226
Other Oper. (Exp)/Inc	(8.9)	(20.5)	74.9	(23.9)	285
Operating Profit	112	74.5	248	116	511
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	13.9	7.96	4.74	(0.9)	(6.7)
Net Interest (Exp)/Inc	(57.0)	(42.8)	(52.9)	(40.0)	(54.0)
Exceptional Gain/(Loss)	0.0	0.0	0.0	14.3	0.0
Pre-tax Profit	68.7	39.6	200	89.8	450
Tax	(48.7)	(25.4)	(12.4)	(21.5)	(35.8)
Minority Interest	19.0	8.68	(39.1)	(0.7)	(89.0)
Net Profit	38.9	22.9	149	67.5	325
Net profit bef Except.	38.9	22.9	149	53.2	325
EBITDA	126	82.4	253	115	504

Growth

Revenue Gth (%)	(36.6)	(11.9)	67.1	(15.2)	13.3
EBITDA Gth (%)	(9.4)	(34.4)	207.2	(54.4)	336.8
Opg Profit Gth (%)	(15.2)	(33.4)	233.6	(53.2)	339.2
Net Profit Gth (%)	(47.8)	(41.1)	549.9	(54.6)	381.6

Margins

Gross Margins (%)	33.3	29.7	32.5	31.0	44.0
Opg Profit Margins (%)	30.8	23.3	46.5	25.7	99.6
Net Profit Margins (%)	10.7	7.2	27.9	14.9	63.4

Balance Sheet (\$m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Net Fixed Assets	489	479	459	594	729
Invts in Associates & JVs	530	518	554	579	614
Other LT Assets	4,942	5,011	5,959	5,959	5,959
Cash & ST Invts	934	1,129	1,085	999	1,096
Inventory	78.9	20.9	0.0	0.0	0.0
Debtors	202	108	155	194	226
Other Current Assets	3,963	4,049	4,115	4,115	4,115
Total Assets	11,139	11,316	12,328	12,440	12,739
ST Debt	723	947	1,757	1,757	1,757
Creditor	247	371	452	564	658
Other Current Liab	80.6	124	196	63.3	74.9
LT Debt	4,542	4,165	3,890	3,890	3,890
Other LT Liabilities	784	764	722	722	722
Shareholder's Equity	4,258	4,407	4,691	4,800	4,963
Minority Interests	503	537	621	644	675
Total Cap. & Liab.	11,139	11,316	12,328	12,440	12,739
Non-Cash Wkg. Capital	3,917	3,684	3,623	3,682	3,609
Net Cash/(Debt)	(4,331)	(3,983)	(4,562)	(4,648)	(4,550)
Debtors Turn (avg days)	68.0	66.4	49.8	52.8	54.4
Creditors Turn (avg days)	133.2	198.1	256.9	236.3	242.5
Inventory Turn (avg days)	23.3	31.9	6.5	N/A	N/A
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.1
Current Ratio (x)	4.9	3.7	2.2	2.2	2.2
Quick Ratio (x)	1.1	0.9	0.5	0.5	0.5
Net Debt/Equity (X)	0.9	0.8	0.9	0.9	0.8
Net Debt/Equity ex MI (X)	1.0	0.9	1.0	1.0	0.9
Capex to Debt (%)	(4.0)	0.1	0.0	2.7	2.7

Source: Company, DBS Bank

Guocoland

Cash Flow Statement (\$m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Pre-Tax Profit	156	240	540	236	309
Dep. & Amort.	17.2	15.7	15.3	15.3	15.3
Tax Paid	(26.7)	(91.1)	(32.9)	(170)	(37.1)
Assoc. & JV Inc/(loss)	(20.9)	(12.7)	7.65	(24.5)	(34.7)
Chg in Wkg.Cap.	(933)	177	(577)	73.7	61.6
Other Operating CF	75.5	59.4	18.3	0.0	0.0
Net Operating CF	(732)	388	(28.8)	131	314
Capital Exp.(net)	212	(3.2)	(0.9)	(150)	(150)
Other Invts.(net)	(81.5)	150	(290)	0.0	0.0
Invts in Assoc. & JV	(3.7)	(0.3)	(81.0)	0.0	0.0
Div from Assoc & JV	29.3	18.5	14.9	0.0	0.0
Other Investing CF	81.5	48.4	34.7	0.0	0.0
Net Investing CF	238	213	(322)	(150)	(150)
Div Paid	(79.2)	(84.3)	(68.0)	(66.6)	(66.6)
Chg in Gross Debt	768	(145)	548	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(83.6)	(194)	(171)	0.0	0.0
Net Financing CF	605	(423)	308	(66.6)	(66.6)
Currency Adjustments	2.49	21.9	(4.5)	0.0	0.0
Chg in Cash	114	200	(46.8)	(86.0)	97.4
Opg CFPS (S cts)	18.1	19.0	49.4	5.13	22.7
Free CFPS (S cts)	(46.8)	34.7	(2.7)	(1.7)	14.8

Source: Company, DBS Bank

Target Price & Ratings History



Note: Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	05 Apr 22	1.64	2.30	BUY

Source: DBS Bank

Analyst: Tabitha FOO

Derek TAN

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: 2 Sep 2022 06:55:46 (SGT)

Dissemination Date: 2 Sep 2022 08:35:04 (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, 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, DBS Vickers Securities (Singapore) Pte 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.

Guocoland

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 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, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 31 Jul 2022.

Compensation for investment banking services:

2. 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 Guocoland as of 31 Jul 2022.
3. 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 Guocoland in the past 12 months, as of 31 Jul 2022.
4. 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.


Disclosure of previous investment recommendation produced:

5. 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.

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, DBS Vickers Securities (Singapore) Pte 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 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	<p>This report has been prepared by a personnel of DBS Bank Ltd, 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.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com</p>
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 Sirithanarattanukul at research@th.dbs.com</p>

Guocoland

United Kingdom	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>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.</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>

Guocoland

United States	<p>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.</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 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