

Sunlight REIT

Bloomberg: 435 HK Equity | Reuters: 0435.HK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

7 Sep 2022

BUY

Last Traded Price (6 Sep 2022): HK\$3.63 (HSI : 19,203)
Price Target 12-mth: HK\$4.26 (17% upside) (Prev HK\$5.01)

Analyst

Percy Leung +852 36684165 percy.leung@dbs.com
Jeff Yau, CFA +852 36684180 jeff_yau@dbs.com

What's New

- FY22 distributable income dropped 1.7% to HK\$431m, slightly ahead of our estimate due to stronger-than-expected rental earnings
- Stable revenue despite negative rental reversions
- Facelift at Metro City Ph 1 property
- Despite lower TP of HK\$4.26, maintain BUY

Price Relative



Forecasts and Valuation

FY Jun (HK\$ m)	2021A	2022A	2023F	2024F
Gross Revenue	799	803	800	817
Net Property Inc	640	642	639	654
Net Profit	(234)	103	363	369
Distribution Inc	427	420	398	404
DPU (HK\$)	0.26	0.25	0.24	0.24
DPU Gth (%)	(5)	(2)	(6)	1
Div Yield (%)	7.1	6.9	6.5	6.5
Gross Gearing (%)	23	23	23	22
Book Value (HK\$)	8.45	8.36	8.31	8.52
P/Book Value (x)	0.4	0.4	0.4	0.4

DPU Rev (%): (4) New

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

Resilience amid volatility

Investment Thesis

BUY with HK\$4.26 TP. Sunlight REIT offers distribution yield of 6.5% for FY23-24. Firm portfolio occupancy led by proactive leasing strategy should underpin income resilience. The refurbishment of Metro City Ph 1 property should enhance its long-term rental value, adding to its investment appeal.

High office occupancy is a blessing, the worst for retail portfolio is over. Solid leasing demand from mid-sized office and F&B tenants contributed to high retention rate for the overall portfolio. Occupancy at The Harvest recovered to c.80% in Jun-22 thanks to the entry of new tenants. Coupled with increased occupancy at Strand 50 and 135 Bonham Strand Trade Centre in Sheung Wan, office portfolio occupancy further improved to 94.8% in Jun-22 from Dec-21's 93.3%. Footfall and retail tenant sales have been picking up gradually on the back of easing of social distancing and distribution of electronic consumption vouchers. This should bode well for post pandemic recovery of retail portfolio.

Rejuvenation of Metro City Ph 1 property. Sunlight REIT is planning asset enhancement works at Metro City Phase I over 2 phases. Scheduled to commence in Sep-22, the first phase covers enhancement of key common facilities and layout reconfiguration on the upper floor of this neighborhood mall. With budgeted capex of HK\$20m, the first phase is expected to be completed by end-2022. Despite short-term rental void, the refurbishment should help to rejuvenate the mall, thus lifting its rental value.

Valuation:

Our target price is based on the Discounted Dividend Model (DDM) using a discount rate of 6.8%.

Where we differ:

We are more positive about Sunlight REIT's earnings resilience, given its balanced asset portfolio and proactive asset and capital management strategy.

Key Risks to Our View:

Market risk. The prolonged COVID-19 pandemic would impact leasing demand for retail space. Macro uncertainties would deteriorate office demand. These could drag its earnings and unit price performance.

Interest rate risk. Any faster-than-expected interest rate hike could drag down its valuation.

At A Glance

Issued Capital (m shrs)	1,682
Mkt Cap (HKm/US\$m)	6,105 / 778
Major Shareholders (%)	
Shau Kee Financial Enterprise Ltd.	22.2
Silchester International Investors, L.L.P.	11.9
Henderson Sunlight Asset Management Limited	10.5
Henderson Land Development Co Ltd	8.6
Free Float (%)	46.7
3m Avg. Daily Val. (US\$m)	0.20
GICS Industry: Real Estate / Equity Real Estate Investment	



Watchlist the stock on Insights Direct to receive prompt updates



Sunlight REIT

WHAT'S NEW

Stable rental income

Dragged by higher cash finance cost, Sunlight REIT's FY22 distributable income was 1.7% lower at HK\$431m, 2.9% above our estimate due to stronger-than-expected rental earnings. Final DPU fell 2.3% to HK\$0.128. This brought the full year DPU 2.3% lower at HK\$0.25. Payout ratio was maintained at 97.4% (FY21: 97.5%).

Total revenue stood at HK\$803m (FY21: HK\$799m). Despite negative rental reversions, office rental income rose 1.6% to HK\$399m on the back of higher average occupancy. Thanks to new tenants who took up the space surrendered by Chong Hing Bank, occupancy at The Harvest improved to 80.4% in Jun-22 from Dec-21's 66.4%. Meanwhile, Strand 50 and 135 Bonham Strand Trade Centre property in Sheung Wan saw their occupancies advancing to 99.7% and 99.1% in Jun-22 respectively, from Dec-21's 94.1% and 94.7%. These brought overall office occupancy higher at 94.8% as of Jun-22 (Dec-21: 93.3%) with the flagship property, Dah Sing Financial Centre, 91.4% let.

Amid subdued leasing demand from MNCs, spot rents at Dah Sing Financial Centre stayed at c.HK\$30-40psf. Yet, due to higher expiring rents, rental reversions turned more negative at 7.1% in FY22 from 1HFY22's 5%. As such, rental decline upon renewal for the office portfolio had further widened to 5.5% in FY22 from 1HFY22's 4.5%.

High office market vacancy, upcoming office supply and sluggish demand from MNCs and Chinese corporates should cap any rental upside in near term. Hence, reversionary growth for the leases expiring in FY23, which accounted for 36.8% space of the office portfolio, is expected to remain in the negative territory.

Thanks to reduced impact from amortized rental concessions, retail rental income was broadly flat at HK\$404m despite negative rental reversions. While Sunlight REIT has granted a new round of rental concessions to tenants in view of the fifth wave of the pandemic, the amount this round was insignificant to the REIT's overall income. Along the easing of social distancing measures and distribution of electronic consumption vouchers, footfall and tenant sales at Sheung Shui Centre Shopping Arcade and Metro City Phase I exhibited gradual signs of recovery since Apr-22. Hence, despite short term disruptions led by COVID resurgence in early 2022, rental

decline upon renewals for the retail portfolio stayed at 5% for FY22 (1HFY22: -4.9%). As of Jun-22, Sheung Shui Centre Shopping Arcade and Metro City Phase I property were 92.9% and 94.6% let respectively with the overall retail occupancy at 94.5% (Dec-21: 97.1%).

Total operating expense was stable at HK\$161m. Increased provision for rental receivables was offset by lower rental commissions and repair & maintenance expenses. With cost-to-income ratio similar at 20.1% (FY21: 20%), NPI was broadly stable at HK\$642m.

Sunlight REIT is planning asset enhancement works at Metro City Phase I which will be conducted in 2 phases. Scheduled to commence in Sep-22, the first phase includes enhancing key common facilities and layout reconfiguration on the upper floor. With budgeted capex of HK\$20m, this phase is expected to be completed by end of 2022.

Cash finance cost rose 7.4% to HK\$92.8m, reflecting higher funding costs and increased average borrowings. In Jun-22, Sunlight REIT had total borrowings of HK\$4.41bn, of which >60% are sustainability-linked loans. This translated into gearing of 23.3%. The weighted average debt maturity was extended to 2.9 years (Dec-21: 2.3 years). In Jun-22, Sunlight REIT has unwound certain interest rate swaps with an aggregate amount of HK\$500m. This brought the hedging ratio down to c.68% in Jun-22 from Dec-21's 80%.

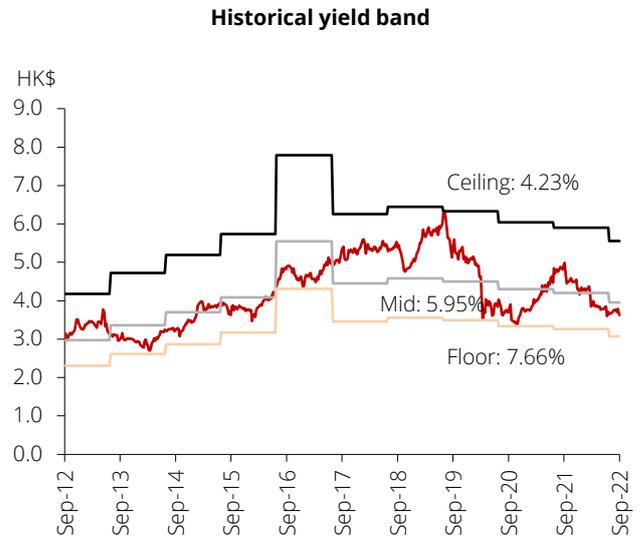
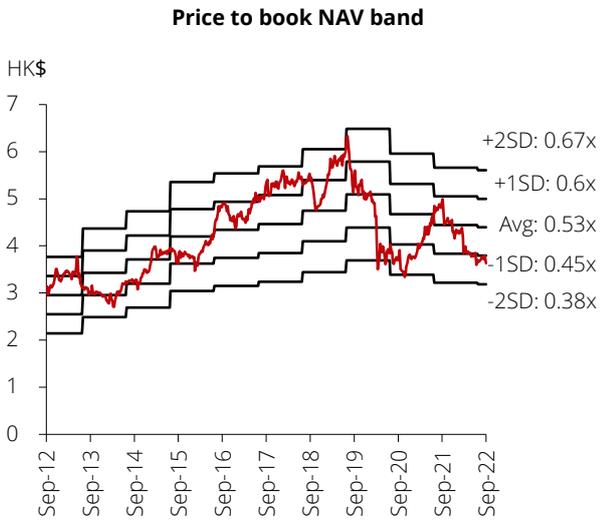
Sunlight REIT is trading at 6.5% distribution yields for FY23-24, translating into yield spread of 3.4%. While negative rental reversion continues to work its way through, the portfolio has demonstrated its income resilience attributed to its high occupancy and proactive leasing strategy. The refurbishment at Metro City Ph 1 property should enhance its long-term competitiveness, adding to its investment appeal. Maintain BUY, despite lower DDM-based TP of HK\$4.26 due to higher assumed discount rate.

Company Background

Sunlight REIT is the first Hong Kong REIT with exposure to both office and retail sectors. Listed in December 2006, the REIT now owns a diverse portfolio of 16 office and retail properties. Its three major properties are Sunlight Tower in Wanchai, Sheung Shui Centre Shopping Arcade in Sheung Shui, and the Metro City Ph 1 property in Tseung Kwan O.

Sunlight REIT

Price to book NAV band and historical yield band



Source: Bloomberg Finance L.P. DBS HK

Sunlight REIT

Result Summary

FY Jun (HK\$m)	FY21	FY22	% chg	Comments
Rental income	645.5	642.8	(0)	
- Office	329.2	331.3	1	FY22: Impact from negative rental reversion was offset by higher average occupancy
- Retail	316.3	311.5	(2)	FY22: Mainly dragged by negative rental reversions, partly offset by reduced amortised rental concessions
Car park income	32.4	33.6	4	
Rental related income	121.4	126.6	4	
Turnover	799.3	802.9	0	
Property operating expenses	(159.6)	(161.0)	1	FY22: Due to higher provision for credit losses on rental receivables, offset by lower rental commissions and repair & maintenance cost
Net property income	639.7	641.9	0	FY22: Cost to income ratio stayed largely unchanged at 20.1% (FY21: 20%)
Other income	9.0	5.3	(41)	
Administrative expenses	(107.6)	(105.8)	(2)	
Net increase in fair value of investment properties	(605.2)	(263.9)	(56)	
Finance costs on interest bearing liabilities	(93.7)	(98.4)	5	FY22: cash financing cost rose 7% to HK\$92.8m
Profit before tax	(157.8)	179.1	n.a.	
Income tax	(75.9)	(76.2)	0	
Net profit	(233.7)	102.9	n.a.	
Net increase in fair value of investment properties	605.2	263.9	(56)	
Manager's fee paid or payable in the form of units	46.8	46.2	(1)	
Non-cash finance costs on interest bearing liabilities	6.2	5.3	(15)	
Deferred tax	12.7	12.4	(3)	
Cash flow hedges reclassified from net assets attributable to unitholders	1.2	0.3	(73)	
Depreciation	0.0	0.0	n.a.	
Total distributable income	438.3	431.1	(2)	
Total distribution income	427.4	419.9	(2)	FY22: payout ratio of 97.4% (FY21: 97.5%)
Interim DPU	0.125	0.122	(2)	
Final DPU	0.131	0.128	(2)	
Total DPU (HK\$)	0.256	0.250	(2)	

Source: Sunlight REIT

Sunlight REIT

Key Assumptions (%)

	2022F	2023F
Office rental - HK	0	(3)
Retail rental (Shopping centre) - HK	0	5

Source: Company, DBS HK

Segmental Breakdown (HK\$ m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Revenues (HK\$ m)					
Rental income	689	645	643	639	656
Carpark income	34	32	34	35	36
Rental-related income	132	121	127	126	126
Total	855	799	803	800	817

Source: Company, DBS HK

Income Statement (HK\$ m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Gross revenue	855	799	803	800	817
Property expenses	(170)	(160)	(161)	(161)	(163)
Net Property Income	685	640	642	639	654
Other expenses	(110)	(108)	(106)	(106)	(108)
Interest (Exp)/Inc	(103)	(85)	(93)	(110)	(116)
Exceptionals	(1,143)	(605)	(264)	0	0
Pre-Tax Profit	(671)	(158)	179	423	430
Tax	(80)	(76)	(76)	(61)	(62)
Net Profit	(751)	(234)	103	363	369
Distribution income	445	427	420	398	404
Revenue Gth (%)	0	(6)	0	0	2
NPI Gth (%)	0	(7)	0	0	2
Dist. Inc Growth (%)	(1)	(4)	(2)	(5)	2
DPU Growth (%)	(2)	(5)	(2)	(6)	1

Source: Company, DBS HK

Sunlight REIT

Balance Sheet (HK\$ m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Fixed Assets	18,918	18,342	18,095	18,161	18,637
Long-term Investments	116	141	104	104	104
Other LT Assets	38	38	53	53	53
Deferred Tax Asset	0	0	1	1	1
Bank Balance/Cash & Liquid Debtors	499	623	631	600	584
Other Non Cash Current	54	0	11	11	11
Total Assets	19,674	19,200	18,960	18,995	19,455
ST Debt	1,643	2,003	1,299	0	500
Creditors	60	71	69	69	69
Other Current Liab	348	337	286	286	286
LT Debt	2,597	2,398	2,990	4,289	3,789
Deferred Tax Liabilities	192	205	218	218	218
Other LT Liabilities	63	61	47	47	47
Unitholders' funds	14,771	14,124	14,051	14,086	14,546
Total Capital	19,674	19,200	18,960	18,995	19,455
Share Capital (m)	1,661	1,672	1,682	1,694	1,707
Gross Debt	(4,239)	(4,401)	(4,289)	(4,289)	(4,289)
Working Capital	(1,449)	(1,733)	(947)	321	(195)
Book NAV (HK\$)	8.89	8.45	8.36	8.31	8.52
Gross Gearing (%)	22	23	23	23	22

Source: DBS HK

Cash Flow Statement (HK\$ m)

FY Jun	2020A	2021A	2022A	2023F	2024F
Pre-Tax Income	(671)	(158)	179	423	430
Tax Paid	(77)	(16)	(46)	(61)	(62)
Depr/Amort	0	0	0	0	0
Chg in Wkg.Cap.	(14)	(27)	(12)	0	0
Other Non-Cash	1,297	737	403	156	163
Operational CF	534	536	525	518	532
Net Capex	(53)	(28)	0	(30)	(30)
Net Change in Investments	20	(25)	0	0	0
Assoc, MI, Invsmt	83	(255)	5	4	4
Investment CF	50	(309)	5	(26)	(26)
Net Chg in Debt	0	166	0	0	0
New issues/Unit Buyback	(4)	(6)	(5)	0	0
Distribution Paid	(452)	(434)	(419)	(409)	(401)
Other Financing CF	(113)	(93)	(98)	(114)	(120)
Financing CF	(569)	(368)	(522)	(523)	(521)
Chg in Cash	15	(141)	8	(31)	(16)

Source: Company, DBS HK

Sunlight REIT

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	8-Sep-21	HK\$4.94	HK\$5.30	Buy
2:	4-Feb-22	HK\$4.24	HK\$5.01	Buy
3:	16-Feb-22	HK\$4.33	HK\$5.01	Buy

Source: DBS HK

Analyst: Jeff Yau

Percy Leung

Sunlight REIT

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: 7 Sep 2022 08:46:11 (HKT)

Dissemination Date: 7 Sep 2022 15:35:28 (HKT)

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

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

Sunlight REIT

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 05 Sep 2022.
2. **Compensation for investment banking services:**
DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA, within the next 3 months, will receive or intend to seek compensation for investment banking services from Chong Hing Bank Ltd (1111 HK) as of 31 Jul 2022.

DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

3. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS 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>

<p>Dubai International Financial Centre</p>	<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>
<p>United States</p>	<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>
<p>Other jurisdictions</p>	<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

Sunlight REIT

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 Pivat 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