

China / Hong Kong Company Update

China Vanke

Bloomberg: 2202 HK Equity | 000002 CH Equity | Reuters: 2202.HK | 000002.SZ

Refer to important disclosures at the end of this report

DBS Group Research . Equity

24 Jul 2023

H: BUY

Last Traded Price (H) (21 Jul 2023):HK\$9.79(HSI : 19,075)
Price Target 12-mth (H):HK\$16.80 (71.6% upside) (Prev HK\$22.32)

A: BUY

Last Traded Price (A) (21 Jul 2023):RMB13.98(CSI300 Index : 3,822)
Price Target 12-mth (A):RMB18.42 (31.8% upside) (Prev RMB20.94)

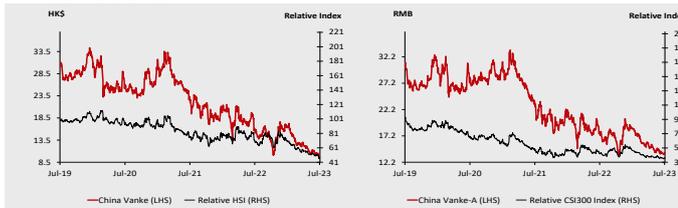
Analyst

Jason Lam +852 36684179 jasonlamch@dbs.com
Dexter Chun +852 36684461 dexterchun@dbs.com
Ben Wong +852 36684183 benwongkf@dbs.com

What's New

- Key beneficiary of likely acceleration of CREIT initiative's development
- Margins and earnings should improve from FY25F when it starts to recognize development earnings from lower cost projects acquired in FY22-23
- A-share placement application in progress and may its cap near-term share price performance
- Maintain BUY with revised HK\$16.80 TP for H-share and Rmb18.42 for A-share

Price Relative



Forecasts and Valuation (H Shares)

FY Dec (RMB m)	2022F	2023F	2024F	2025F
Turnover	503,838	460,107	455,434	458,926
EBITDA	85,011	67,612	69,058	73,314
Pre-tax Profit	73,396	56,743	57,895	62,076
Net Profit	22,618	19,716	20,305	21,736
Core Profit	19,762	19,716	20,305	21,736
Core Profit Gth (%)	(11.7)	(0.2)	3.0	7.0
Core EPS (RMB)	1.70	1.70	1.75	1.87
Core EPS (HK\$)	1.85	1.85	1.90	2.04
Core EPS Gth (%)	(11.5)	(0.2)	3.0	7.0
Core PE (X)	5.3	5.3	5.1	4.8
P/Cash Flow (X)	37.9	21.6	9.9	nm
EV/EBITDA (X)	5.2	6.9	6.9	6.9
DPS (HK\$)	0.76	0.65	0.67	0.71
Div Yield (%)	7.7	6.6	6.8	7.3
Net Gearing (%)	44.1	43.3	40.7	40.6
ROE (%)	9.5	7.9	7.7	7.9
Book Value (HK\$)	22.77	23.97	25.21	26.53
P/Book Value (X)	0.4	0.4	0.4	0.4
EPS Rev (%):		(8)	(5)	New
Consensus EPS (RMB)		1.88	1.93	2.08
Other Broker Recs:		B:18	S:1	H:5

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

Multiple catalysts ahead

Investment Thesis

Well-rounded industry leader with multiple engines. Established over 30 years ago, Vanke is among the front-runners in the property space that have branched out and established a sizeable presence in multiple asset classes and business lines. Aside from its consistent top 3 positioning in the residential space, Vanke also has an industry leading property and facility management arm (Onewo (2602 HK)), one of the largest rental housing and sizeable warehouse and retail mall portfolios in China.

Bottoming margins and earnings. Vanke's near-term earnings outlook may remain challenging with its development revenue likely to fall as a result of weaker presales and GPM under pressure as it starts to recognize lower margin projects that were sold in FY21-22. Having said that, a gradual pickup of its higher margin new businesses would serve to partially cushion the impact. Signs of recovery should start to show from FY25 as earnings from projects acquired at lower costs in FY22-YTD-23 start to be recognized.

Key beneficiary of the accelerating CREIT initiative's development. Vanke has a scalable logistic asset base (c.Rmb1bn of gross revenue in 3M23 incl. unconsolidated businesses), sizeable rental housing portfolio (c.81,400 units qualified for subsidized rental residences) and a good mix of shopping malls under its associate company SCP Group. These place Vanke well to benefit from the accelerating C-REIT development. The company is awaiting national NDRC approval for its logistics CREIT application (initial scale of c.Rmb1.2-1.3bn) as early as 2H23. They have also filed applications to spin-off its shopping malls (potentially be included in the first batch) and rental housing assets. These should help to catalyse Vanke's share price performance.

Maintain BUY with a lower HK\$16.80 TP for H-share and Rmb18.42 for A-share.

We trim FY23/24F earnings by 5-8% to reflect slower development recognition and booking GPM. Our TPs are derived from SOTP valuation based on FY23F earnings: (1) 15x PE for PM (prior: 20x), 1-yr average forward PE (2) unchanged 15x EV/EBITDA on IP business and (3) 6x/8x PE for property development and others (Vanke's average 1-yr forward PE in H-share and A-share, respectively).

Key Risks

Weaker than expected presales outlook; worse-than-expected margin; longer than expected delays in asset spin-offs

At A Glance

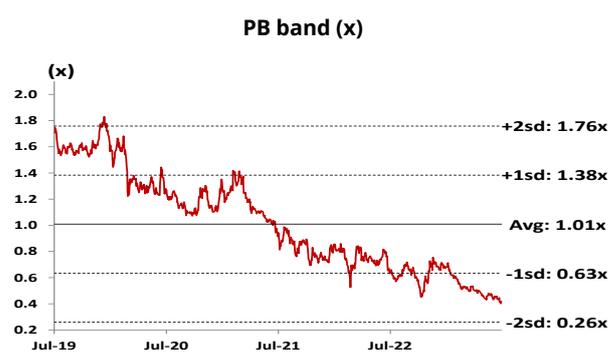
Issued Capital - H shares (m shs)	2,207
- Non H shrs (m shs)	9,724
H shs as a % of Total	18
Total Mkt Cap (HK\$/US\$m)	169,449 / 21,677
Major Shareholders (%)	
Shenzhen Metro Group Co., Ltd.	33.3
Major H Shareholders (As % of H shares)	
H Shares-Free Float (%)	100.0
3m Avg. Daily Val. (US\$m)	17.6
GICS Industry: Real Estate / Real Estate Management & Development	

China Vanke

Company Background

China Vanke (Vanke) was founded in 1984. It is now the largest residential developer in China, with extensive exposure in 65 cities across the nation. Sales exceeded Rmb530bn in 2017, again one of the highest in the real estate industry. Vanke completed its B-share to H-share conversion on 25 June 2014, enabling the company to enjoy better funding channels and trading liquidity.

Historical PE and PB band



Source: Thomson Reuters, DBS HK

China Vanke

Key Assumptions

FY Dec	2023F	2024F	2025F
Property price growth	0.0%	0.0%	0.0%
Rental for office	0.0%	0.0%	0.0%
Rental for retail	0.0%	0.0%	0.0%
ADR growth for hotel	0.0%	0.0%	0.0%

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2021A	2022F	2023F	2024F	2025F
Revenues (RMB m)					
Property development	407,692	450,601	399,494	386,178	379,520
Property investment	19,831	25,774	30,929	37,114	44,537
Property management	15,232	12,172	12,780	13,419	14,090
Urban redevelopment	2,535	6,821	7,162	7,520	7,896
Others	7,508	8,471	9,741	11,203	12,883
Total	452,798	503,838	460,107	455,434	458,926

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2021A	2022F	2023F	2024F	2025F
Turnover	452,798	503,838	460,107	455,434	458,926
Cost of Goods Sold	(357,106)	(405,785)	(377,510)	(372,238)	(372,256)
Gross Profit	95,691	98,054	82,597	83,197	86,670
Other Opg (Exp)/Inc	(26,186)	(21,544)	(25,084)	(24,983)	(24,174)
Operating Profit	69,506	76,510	57,514	58,213	62,496
Associates Inc	4,889	(799)	799	1,545	1,518
Net Interest (Exp)/Inc	(4,042)	(2,315)	(1,569)	(1,864)	(1,937)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	70,353	73,396	56,743	57,895	62,076
Tax	(32,283)	(35,845)	(24,010)	(24,184)	(25,990)
Minority Interest	(15,545)	(14,933)	(13,017)	(13,406)	(14,351)
Net Profit	22,524	22,618	19,716	20,305	21,736
Core Profit	22,382	19,762	19,716	20,305	21,736
Sales Gth (%)	8.0	11.3	(8.7)	(1.0)	0.8
Net Profit Gth (%)	(45.7)	0.4	(12.8)	3.0	7.0
Core Profit Gth (%)	(44.4)	(11.7)	(0.2)	3.0	7.0
Gross Mgn (%)	21.1	19.5	18.0	18.3	18.9
Core Profit Margin (%)	4.9	3.9	4.3	4.5	4.7
Tax Rate	45.9	48.8	42.3	41.8	41.9

Source: Company, DBS HK

China Vanke

Balance Sheet (RMB m)

FY Dec	2021A	2022F	2023F	2024F	2025F
Fixed Assets	32,632	35,134	25,834	16,534	7,234
Invts in Assocs & JVs	144,449	129,486	141,449	149,822	155,684
Other LT Assets	305,738	306,634	311,207	312,191	310,664
Cash & ST Invts	149,352	137,208	118,999	109,605	88,275
Other Current Assets	1,450,971	1,278,188	1,295,755	1,251,941	1,211,449
Total Assets	1,938,693	1,757,163	1,751,795	1,690,271	1,617,622
ST Debt	60,418	66,097	66,097	66,097	66,097
Creditors	1,184,494	956,604	935,402	857,274	766,146
Other Current Liab	66,534	55,101	55,101	55,101	55,101
LT Debt	207,343	249,589	239,589	229,589	219,589
Other LT Liabilities	27,131	24,782	24,782	24,782	24,782
Minority Interests	156,820	162,300	175,318	188,724	203,075
Shareholder's Equity	235,953	242,691	255,507	268,705	282,833
Total Capital	1,938,693	1,757,163	1,751,795	1,690,271	1,617,622
Share Capital (m)	11,620	11,594	11,594	11,594	11,594
Net Cash/(Debt)	(118,409)	(178,478)	(186,687)	(186,081)	(197,410)
Working Capital	199,943	266,483	305,252	339,566	390,203
Net Gearing (%)	30.1	44.1	43.3	40.7	40.6

Source: Company, DBS HK

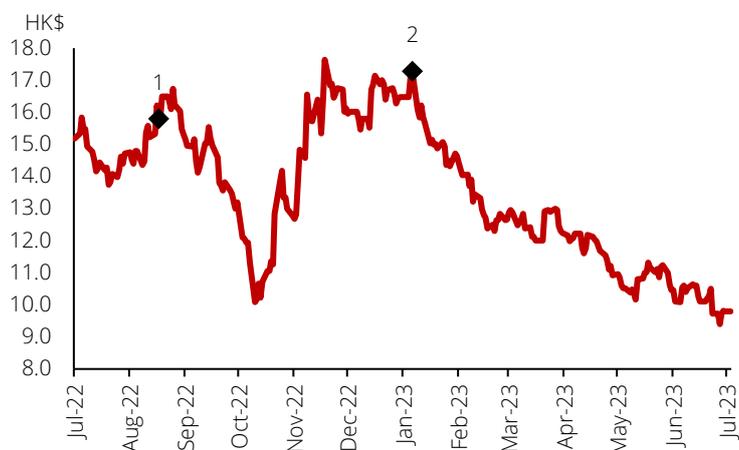
Cash Flow Statement (RMB m)

FY Dec	2021A	2022F	2023F	2024F	2025F
Profit Before Tax	70,353	73,396	56,743	57,895	62,076
Assoc. & JV Inc/(loss)	(4,889)	799	0	0	0
Tax Paid	(36,959)	(37,340)	(24,010)	(24,184)	(25,990)
Depr/Amort	8,063	9,300	9,300	9,300	9,300
Chg in Wkg.Cap.	(38,535)	(66,536)	(38,769)	(34,314)	(50,637)
Other Non-Cash	6,079	23,131	1,569	1,864	1,937
Operating CF	4,113	2,750	4,834	10,561	(3,312)
Net chg in inv.	648	7,389	7,389	7,389	7,389
Assoc, MI, Invsmt	(26,929)	(20,420)	(8,532)	(5,399)	(3,121)
Investing CF	(26,281)	(13,030)	(1,143)	1,991	4,268
Net Chg in Debt	7,619	41,479	(10,000)	(10,000)	(10,000)
New Capital	0	0	0	0	0
Dividend	(41,564)	(33,168)	(11,900)	(11,945)	(12,285)
Other Financing CF	10,841	(4,872)	0	0	0
Financing CF	(23,104)	3,439	(21,900)	(21,945)	(22,285)
Chg in Cash	(44,954)	(6,284)	(18,209)	(9,394)	(21,330)
Chg in Net Cash	(54,037)	(60,069)	(8,209)	606	(11,330)

Source: Company, DBS HK

China Vanke

H Share - Target Price & Ratings 12-mth History



S.No.	Date	Closing Price	Target Price	Rating
1	7-Sep-22	HK\$15.80	HK\$21.54	BUY
2	27-Jan-23	HK\$17.12	HK\$22.32	BUY

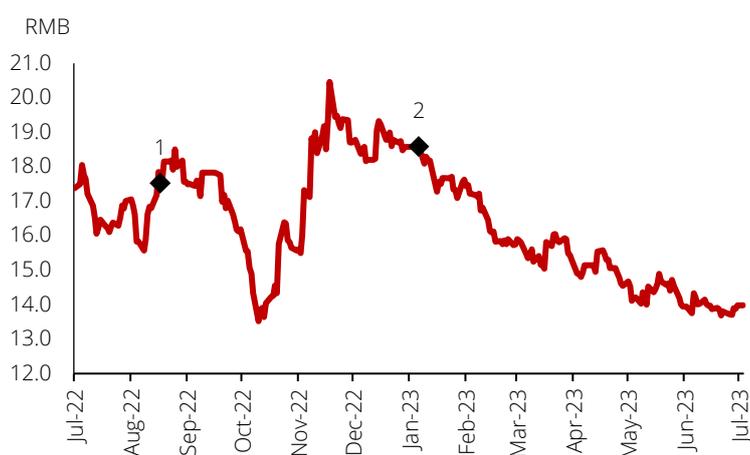
Source: DBS HK

Analyst: Jason Lam

Dexter Chun

Ben Wong

A Share - Target Price & Ratings 12-mth History



S.No.	Date	Closing Price	Target Price	Rating
1	7-Sep-22	RMB17.52	RMB19.06	BUY
2	27-Jan-23	RMB18.58	RMB20.94	BUY

Source: DBS HK

Analyst: Jason Lam

Dexter Chun

Ben Wong

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: 24 Jul 2023 16:51:14 (HKT)

Dissemination Date: 24 Jul 2023 17:04:28 (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.

China Vanke

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in China Vanke Co Ltd (2202 HK) recommended in this report as of 20 Jul 2023.
2. **Compensation for investment banking services:**
DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.
3. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

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

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

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS Bank Ltd is regulated by the Monetary Authority of Singapore. DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>

Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our--network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>
United States	<p>This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.</p>
Other jurisdictions	<p>In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.</p>

DBS Bank (Hong Kong) Limited

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

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

China Vanke

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam

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

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong

12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982

Tel: 65 6878 8888

e-mail: groupresearch@dbs.com

Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif

DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,
9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand