

Singapore Company Update

Frasers Hospitality Trust

Bloomberg: FHT SP | Reuters: FRHO.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

8 Nov 2023

BUY

Last Traded Price (7 Nov 2023): S\$0.520 (STI : 3,173.81)

Price Target 12-mth: S\$0.62 (19% upside) (Prev S\$0.58)

Analysts

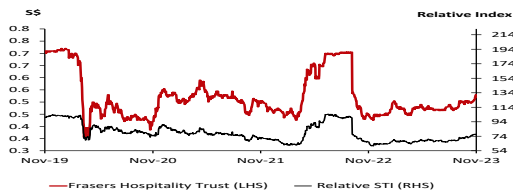
Geraldine WONG +65 6682 3719 geraldinew@dbs.com

Derek TAN +65 6682 3716 derektan@dbs.com

What's New

- FY23 revenue rose 29% y-o-y to S\$123.2m, full-year DPS rose 49% y-o-y to 2.4426Scts, ahead of estimates
- RevPAR across all major markets surpassed pre-Covid levels; optimism going into FY24F on strong MICE line-up in 1H24 with concerts and Singapore Air Show
- Full-year valuation uplift of 1.7% y-o-y in SGD terms, improvement in cash flows to more than compensate for cap rate expansions
- Maintain BUY with higher TP of S\$0.62, forward FY24F yields of 5.1%

Price Relative



Forecasts and Valuation

FY Sep (\$m)	2022A	2023A	2024F	2025F
Gross Revenue	95.9	123	140	143
Net Property Inc	69.6	90.5	105	107
Total Return	58.3	91.9	50.6	53.0
Distribution Inc	35.0	52.3	58.2	60.6
EPU (S cts)	0.86	2.14	2.63	2.75
EPU Gth (%)	32	149	23	5
DPU (S cts)	1.64	2.44	2.72	2.83
DPU Gth (%)	66	49	11	4
NAV per shr (S cts)	64.7	66.4	66.7	67.0
PE (X)	60.6	24.3	19.8	18.9
Distribution Yield (%)	3.1	4.7	5.2	5.4
P/NAV (x)	0.8	0.8	0.8	0.8
Aggregate Leverage (%)	36.3	33.8	32.8	32.8
ROAE (%)	1.3	3.3	4.0	4.1

Distn. Inc Chng (%): 4 (1)
 Consensus DPU (S cts): 2.60 3.10
 Other Broker Recs: B: 2 S: 0 H: 0

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

Two leaps forward with return of MICE

Investment Thesis:

Attractive entry price. Frasers Hospitality Trust (FHT) currently trades at 0.8x P/NAV, near its historical mean price-to-book. We are pricing in an above-sector two-year forward DPU CAGR of 8%, to be supported by sustainable RevPAR growth across the portfolio, led by Japan.

Strengthened balance sheet post SSW divestment. Proceeds from the recent divestment of Sofitel Sydney Wentworth (SSW) on a 12% premium to the asset valuation have gone towards debt repayment (c.S\$300m), bringing gearing down to 36.4% as at 30 Sep 22 (from 42.2% in end-FY21). This, alongside one of the highest fixed debt hedge ratios in the sector, will put FHT on a strong footing going into the upcoming financial year. Interest cost was at 3.1% as at 30 September 2023, for which we have priced in sufficient buffers going into FY24F. We believe that FHT will have ample firepower to consider its portfolio rejuvenation plans, which, we believe, will come in the form of the rebranding of selective portfolio assets as hotel contracts expire in the coming years.

More optimism on MICE demand going into FY24. FHT's geographical markets continue to see strong h-o-h recovery, led by Singapore, Australia, and Germany. FHT's corporate-positioned hotels in Singapore will continue to see further traction from the return of corporate travel as a strong MICE calendar unfolds this year. Overseas low-hanging markets such as Japan and Germany will also depend on the return of corporate events in their respective submarkets to drive gross profits, indicating that a turnaround can happen quickly in a matter of a few quarters.

Maintain BUY with TP of S\$0.62 as we roll forward valuations (vs. TP of S\$0.58 previously). Our discounted cash flow valuation factors in (i) a 3.5% risk free rate, (ii) 1.0 beta, (iii) 7.4% WACC, and (iv) 2.0% terminal growth to derive a target price of S\$0.62.

Key Risks

Key risks to our thesis would be a slower-than-anticipated recovery in MICE-dependent overseas markets, foreign currency fluctuations, and high refinancing cost of debt in FY24.

At A Glance

Issued Capital (m shrs)	1,926
Mkt. Cap (S\$m/US\$m)	1,002 / 739
Major Shareholders (%)	
TCC HOSPITALITY LIM	36.7
TCC Assets Ltd	25.8
Free Float (%)	37.5
3m Avg. Daily Val (US\$m)	0.62
GIC Industry: Real Estate / Equity Real Estate Investment (REITs)	

WHAT'S NEW**FY23 results powers ahead**

Full-year DPS of 2.4426 Scts ahead of estimates. Fraser's Hospitality Trust reported full-year FY23 revenue of S\$123.2m (+28.5% y-o-y). Net property income for the year rose a strong 30.1% y-o-y to S\$90.5m, while distributable income rose 49% y-o-y to S\$52.3m. The strong operating performance was on the back of RevPAR improvements across all markets on a y-o-y basis and supported by lower cost of debt in 1H23. FY23 DPS of 2.4426Scts was 49% higher y-o-y, and ahead of our estimates.

Gross operating revenue above pre-Covid levels for all markets except Japan. RevPAR across all major markets has exceeded pre-Covid levels, with the exception of Japan. Singapore continues to be the crown jewel with a 2H23 RevPAR of 305%, approximating 119% of pre-Covid levels. Although traditionally a seasonally high base in 1H23, we are pleasantly surprised and note that 2H23 performance amongst the Singapore assets has been well supported by MICE events and the F1 Grand Prix, which has resulted in a flat h-o-h performance.

Other geographical markets in the likes of Australia, UK, and Malaysia are also seeing RevPAR growth at a level that is 9%-13% higher than pre-Covid levels, supported by a return of MICE events. On a full-year basis, gross operating revenue has recovered c.100.4% to 117.7% across all markets, a c.30%-65% increase y-o-y. Gross operating profits moved in tandem in Singapore, Malaysia, and Germany to exceed pre-Covid levels, while that of Australia, UK, and Japan are still below pre-Covid levels.

Improving ICR ratio on the back of low gearing rate of 34%.

Interest rates ended the financial year at 3.1% (76% hedged to fix rates), up 80bps from end-FY22, while gearing remains low at 34% in comparison to sector peers. ICR improved from 2.6x in FY22 to 3.6x in FY23 on the back of improving operational cash flow. Loans worth c.S\$150m will come due in FY24, approximately 21% of FHT's total loan book.

Full-year valuation uplift of 1.7% y-o-y in SGD

denomination. FHT's full-year valuations came in stronger than expected, with a valuation uplift seen across all portfolio assets in local currency terms, except for Maritim Dresden, which declined 5.3% y-o-y. Portfolio valuation rose 1.7% y-o-y in SGD terms, despite a strong SGD. We observe that cap rates have expanded by 50-150bps in overseas markets (across selected Australia and Europe assets), which has been more than compensated by strong cash flow growth to reflect an increase in valuation in local currency terms.

Cap rate expansions in FHT's Asia markets (Singapore, Japan, Malaysia) have generally remained within the tighter range of >c.25bps. FHT's year-end revaluation was generally within our expectations that an upward trajectory in cash flow recovery will help support valuations, despite an expansion in cap rates, which we have seen in other asset classes for the corresponding geographies.

Maintain BUY with higher TP of S\$0.62 (previously: S\$0.58).

We roll forward valuations into FY24F, while adjusting our estimates to account for changes in forex translation and higher portfolio RevPAR. We maintain our interest rate assumptions at 3.75% for FY24F, a sufficient buffer from the existing 3.10% (as at 30 Sep 2023). DPU for FY24F/FY25F of 2.72/2.83Scts represents an 8% CAGR for the coming years.

Frasers Hospitality Trust

Company Background

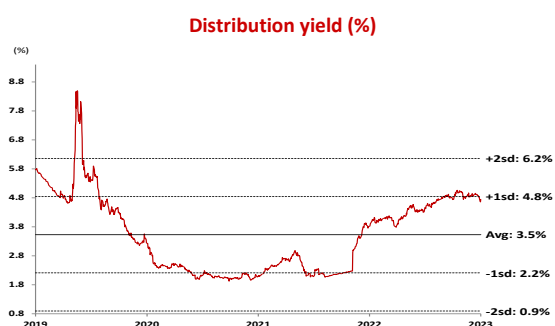
Frasers Hospitality Trust (FHT) provides investors exposure to one of the largest international hospitality portfolios by number of keys. Its geographically diversified portfolio of 15 quality assets spans prime locations across nine key cities in Asia, Australia, and Europe.

Interim Income Statement (\$m)

FY Sep	2H2022	1H2023	2H2023	% chg yoy	% chg hoh
Gross revenue	51.8	62.2	61.0	17.8	(2.0)
Property expenses	(13.8)	(17.0)	(15.7)	13.3	(7.7)
Net Property Income	37.9	45.2	45.3	19.5	0.1
Other Operating expenses	(11.6)	(8.6)	(8.5)	(26.3)	(0.6)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	(11.2)	(8.4)	(10.8)	3.1	(28.6)
Exceptional Gain/(Loss)	1.06	(1.6)	(0.7)	nm	nm
Net Income	16.2	26.6	25.3	55.8	(5.0)
Tax	(9.1)	(3.1)	(7.6)	(16.4)	143.4
Minority Interest	0.0	0.0	0.0	-	-
Net Income after Tax	7.15	23.5	17.7	147.3	(24.7)
Total Return	7.15	23.5	23.5	nm	nm
Non-tax deductible Items	(29.0)	3.6	(43.2)	nm	nm
Net Inc available for Dist.	19.9	27.1	25.2	nm	nm
Ratio (%)					
Net Prop Inc Margin	73.3	72.7	74.3		
Dist. Payout Ratio	90%	90%	90%		

Source of all data: Company, DBS Bank

Historical Distribution yield and PB band



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



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

Income Statement (\$m)

FY Sep	2021A	2022A	2023A	2024F	2025F
Gross revenue	85.5	95.9	123	140	143
Property expenses	(27.9)	(26.3)	(32.6)	(35.2)	(35.9)
Net Property Income	57.6	69.6	90.5	105	107
Other Operating expenses	(16.4)	(18.7)	(17.1)	(20.0)	(20.3)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(20.2)	(22.3)	(19.3)	(25.8)	(25.4)
Exceptional Gain/(Loss)	0.0	(1.6)	(2.3)	0.0	0.0
Net Income	21.0	27.0	51.9	59.0	61.6
Tax	(8.4)	(10.5)	(10.7)	(8.3)	(8.6)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Income After Tax	12.6	16.5	41.2	50.6	53.0
Total Return	16.3	58.3	91.9	50.6	53.0
Non-tax deductible Items	7.45	(23.3)	(39.6)	7.55	7.61
Net Inc available for Dist.	21.0	35.0	52.3	58.2	60.6
Growth & Ratio					
Revenue Gth (%)	(3.4)	12.1	28.5	13.6	2.3
N Property Inc Gth (%)	(3.7)	20.7	30.1	15.6	2.4
Net Inc Gth (%)	(61.4)	31.7	149.1	22.9	4.7
Dist. Payout Ratio (%)	114.3	90.1	89.9	90.0	90.0
Net Prop Inc Margins (%)	67.4	72.6	73.5	74.8	74.9
Net Income Margins (%)	14.7	17.2	33.4	36.2	37.0
Dist to revenue (%)	24.6	36.5	42.4	41.6	42.4
Managers & Trustee's fees	19.2	19.5	13.9	14.3	14.1
ROAE (%)	1.0	1.3	3.3	4.0	4.1
ROA (%)	0.5	0.7	2.0	2.4	2.5
ROCE (%)	1.1	1.5	3.1	3.9	4.1
Int. Cover (x)	2.0	2.3	3.8	3.3	3.4

Interest rate for full-year
FY24F assumed at 3.75%

Source: Company, DBS Bank

Balance Sheet (\$m)

FY Sep	2021A	2022A	2023A	2024F	2025F
Investment Properties	2,025	1,683	1,721	1,725	1,729
Other LT Assets	232	249	246	246	246
Cash & ST Invt	78.2	124	88.1	167	175
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	14.3	9.28	12.9	8.89	9.09
Other Current Assets	0.01	20.3	5.02	5.02	5.02
Total Assets	2,349	2,086	2,073	2,152	2,164
ST Debt	203	174	149	149	149
Creditor	18.4	19.3	20.3	89.7	91.3
Other Current Liab	3.72	0.98	10.3	10.3	10.3
LT Debt	786	583	552	557	561
Other LT Liabilities	90.1	62.7	62.4	62.4	62.4
Unit holders' funds	1,248	1,246	1,278	1,284	1,290
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	2,349	2,086	2,073	2,152	2,164
Non-Cash Wkg. Capital	(7.8)	9.31	(12.7)	(86.1)	(87.5)
Net Cash/(Debt)	(910)	(633)	(613)	(538)	(535)
Ratio					
Current Ratio (x)	0.4	0.8	0.6	0.7	0.8
Quick Ratio (x)	0.4	0.8	0.6	0.7	0.8
Aggregate Leverage (%)	42.1	36.3	33.8	32.8	32.8

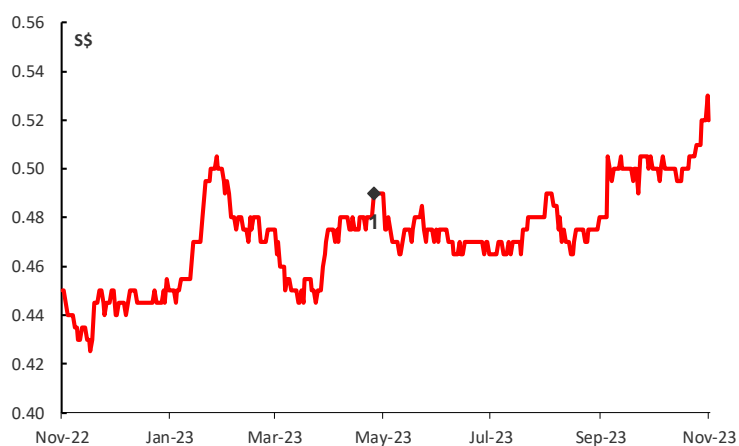
Source: Company, DBS Bank

Cash Flow Statement (\$m)

FY Sep	2021A	2022A	2023A	2024F	2025F
Pre-Tax Income	24.7	68.8	103	59.0	61.6
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	(1.4)	(17.4)	(1.9)	(8.3)	(8.6)
Associates & JV Inc/(Loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(9.5)	45.2	(1.1)	73.4	1.44
Other Operating CF	25.3	(68.3)	(28.3)	7.55	7.61
Net Operating CF	39.2	28.3	71.4	132	62.1
Net Invnt in Properties	(4.4)	305	(3.9)	(4.2)	(4.3)
Other Invnts (net)	(0.5)	(6.1)	(0.4)	0.0	0.0
Invnts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc. & JVs	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(3.9)	2.92	13.9	0.0	0.0
Net Investing CF	(8.9)	301	9.57	(4.2)	(4.3)
Distribution Paid	(24.0)	(29.0)	(42.3)	(52.4)	(54.6)
Chg in Gross Debt	84.9	(227)	(70.8)	4.20	4.29
New units issued	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(104)	(20.4)	0.0	0.0	0.0
Net Financing CF	(43.6)	(276)	(113)	(48.2)	(50.3)
Currency Adjustments	(1.1)	(7.8)	(3.6)	0.0	0.0
Chg in Cash	(14.3)	45.7	(35.7)	79.2	7.50
Operating CFPS (S cts)	2.53	(0.9)	3.76	3.02	3.15
Free CFPS (S cts)	1.81	17.3	3.51	6.61	3.00

Source: Company, DBS Bank

Target Price & Ratings 12-mth 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:	02 May 23	0.49	0.58	BUY

Source: DBS Bank

Analysts: Geraldine WONG

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: 8 Nov 2023 10:00:00 (SGT)

Dissemination Date: 8 Nov 2023 10:30:00 (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.

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"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in Frasers Hospitality Trust recommended in this report as of 30 Sep 2023.
2. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in Frasers Hospitality Trust recommended in this report as of 30 Sep 2023.
3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates beneficially own a total of 1% or more of any class of common equity securities of Frasers Hospitality Trust as of 30 Sep 2023.

Compensation for investment banking services:

4. DBS Bank Ltd, DBS HK, DBSVS their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from Frasers Hospitality Trust as of 30 Sep 2023.
5. 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.


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.

Disclosure of previous investment recommendation produced:

6. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<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>

<p>United Kingdom</p>	<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>
<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>

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG

DBS 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: indonesia@research@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