

China / Hong Kong Company Update

Sun Hung Kai Properties

Bloomberg: 16 HK EQUITY | Reuters: 0016.HK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

26 Jan 2024

BUY

Last Traded Price (25 Jan 2024): HK\$76.05 (HSI : 16,212)
Price Target 12-mth: HK\$99.20 (30% upside) (Prev HK\$111.8)

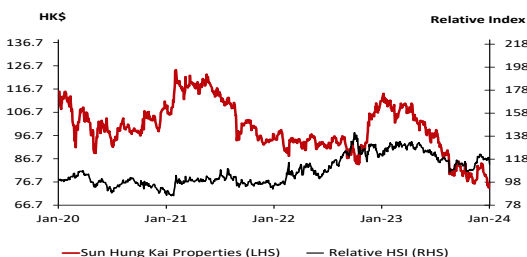
Analyst

Jeff Yau, CFA +852 36684180 jeff_yau@dbs.com
Percy Leung +852 36684165 percyleung@dbs.com
Cherie Wong cheriesumwai@dbs.com

What's New

- Newly launched YOHO West should offer decent margins
- Portfolio expansion to underpin rental income growth
- Replenish residential land bank via farmland conversion
- BUY with HK\$99.2 TP

Price Relative



Forecasts and Valuation

FY (un (HK\$ m))	2022A	2023A	2024F	2025F
Turnover	77,747	71,195	75,955	91,046
EBITDA	38,359	32,310	34,465	36,742
Pre-tax Profit	35,030	28,922	30,362	32,454
Underlying Profit	28,729	23,885	24,736	26,287
Underlying Profit Gth (%)	(3.8)	(16.9)	3.6	6.3
EPS (HK\$)	9.91	8.24	8.54	9.07
EPS Gth (%)	(3.8)	(16.9)	3.6	6.3
PE (X)	7.7	9.2	8.9	8.4
P/Cash Flow (X)	9.7	6.5	8.3	8.8
EV/EBITDA (X)	8.7	10.4	9.7	9.1
DPS (HK\$)	4.95	4.95	4.25	4.25
Div Yield (%)	6.5	6.5	5.6	5.6
Net Gearing (%)	17	18	18	19
ROE (%)	4.8	4.0	4.1	4.2
Est. NAV (HK\$):			240.6	248.0
Disc. to NAV (%)			(68)	(69)

Earnings Rev (%): (3) (2)
Consensus EPS (HK\$): 8.60 8.99
Other Broker Recs: B:11 S:1 H:5

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

Strong execution, compelling valuation.

Investment Thesis

Leading Hong Kong property plays. Sun Hung Kai Properties (SHKP) is a proxy to the Hong Kong property sector given its strong exposure to various subsectors. The company is the largest home builder in town. With sizeable farmland reserves, the company is set to benefit from the Northern metropolis development. SHKP also boasts a strong investment property portfolio, comprising mainly office and retail properties, which provides steadily rising recurrent earnings.

More project launches in the pipeline. After the recent launch of YOHO West Ph 1 in Tin Shui Wai met with enthusiastic response, SHKP plans to offer two other mass-market projects, The YOHO Hub II in Yuen Long and NOVO Land Ph 3A & 3B in Tuen Mun, for sale. In addition, luxury apartments at Cullinan Harbour in Kai Tak and Victoria Harbour in North Point will be offered for sale via tender. While the remaining part of Nanjing IFC Mall has recently opened for business, the newly built Townplace West Kowloon in Hong Kong would provide fresh contribution soon. The gradual completion of YOHO MIX and How Ming Street retail mall in Hong Kong and Three ITC in Shanghai should spice up the company's rental income growth in the years ahead.

Strong embedded value. With strong execution capability and a portfolio of quality assets, SHKP should offer good long-term value to investors. Recently, major shareholder, Kwok family, has increased its stake in the company, signaling the stock's strong embedded value.

Maintain BUY with TP of HK\$99.2. The stock is trading at a 68% discount to our appraised current NAV, c.2SD below its 10-year average of 50%. The current low valuation is unwarranted. We maintain our BUY rating on the stock's compelling valuation. Our TP of HK\$99.2 is based on target discount of 60% to our Dec-24 NAV estimate.

Key Risks to Our View:

Any further deterioration in property demand in Hong Kong and China could drag its earnings and share price performance.

Any unexpected housing policy change could trigger a sector-wide rerating or de-rating.

At A Glance

Issued Capital (m shrs)	2,898
Mkt Cap (HKm/US\$m)	220,393 / 28,190
Major Shareholders (%)	
HSBC Trustee (C.I.) Ltd.	27.9
Thriving Talent Ltd.	6.7
Rosy Result Ltd.	6.6
Asporto Ltd.	6.5
Free Float (%)	52.3
3m Avg. Daily Val. (US\$m)	34.96
GICS Industry: Real Estate / Real Estate Management & Development	

Sun Hung Kai Properties

WHAT'S NEW

Encouraging response to YOHO West launch

In 1HFY24 (Jul-Dec 23), Sun Hung Kai Properties (SHKP) achieved contracted sales of c.HK\$9.6bn from Hong Kong which represented 29% of its FY24 sales target of HK\$33bn. YOHO West Ph 1 in Tin Shui Wai was the main contributor. Since its initial launch in Dec-23, SHKP has sold over 1,100 units at YOHO West Ph 1 for c.HK\$5.8bn or c.HK\$12,500psf on average. This represented 79% of the total. We attribute the encouraging sales response to its attractive pricing. Given the low land costs, YOHO West should offer handsome pre-tax margins of c.30%. Elsewhere, SHKP generated >HK\$2bn proceeds from selling completed inventory such as St. Barths and The Cullinan.

In 1H24, SHKP plans to offer The YOHO Hub II in Yuen Long and NOVO Land Ph 3A & 3B in Tuen Mun. Besides, the company intends to sell luxury apartments at two harbourfront developments, Cullinan Harbour in Kai Tak and Victoria Harbour II in North Point, via tender. Given the prevailing market conditions, it remains challenging for SHKP to meet its full-year target. This is despite the company's strong execution capabilities.

Contracted sales from China amounted to c.HK\$3.3bn in 1HFY24. The bulk came from selling Ph 3 of Hangzhou IFC. SHKP released this phase onto the market in Aug-23 with all of c.350 residential units sold.

SHKP's retail tenants' sales outperformed the overall market in 11M23 with reversionary growth turning positive. YOHO Mix in Yuen Long is expected to open for business in 1H24, further expanding the retail offering of the entire YOHO Mall. This will be followed by the opening of the retail portion beneath The Millennity in Kwun Tong in 2H24. The Millennity is c.40% committed. Overall office rental reversion remains in the negative territory.

Newly built Townplace West Kowloon should offer fresh rental contributions. This aparthotel contains 843 rooms with flexible leasing terms.

In China, office occupancy at Shanghai IFC and Shanghai IAPM stays firm at >90% with steady passing rents. Tower A of Three ITC has been ramping up with committed occupancy of >40%. Positive rental

reversion is working its way through the company's retail portfolio. Elsewhere, the remaining portion of Nanjing IFC Mall recently opened for business.

Aided by contributions from newly built investment properties, SHKP's gross rental receipts should grow 4% in FY24 and 5% in FY25.

In 2H23, SHKP converted two pieces of farmland in Yuen Long into residential use following the land premium payment. These two projects altogether offer total GFA of >1msf upon completion. With favourable land premium, we believe these two developments should offer pre-tax margins of >30% based on the current selling price in the area.

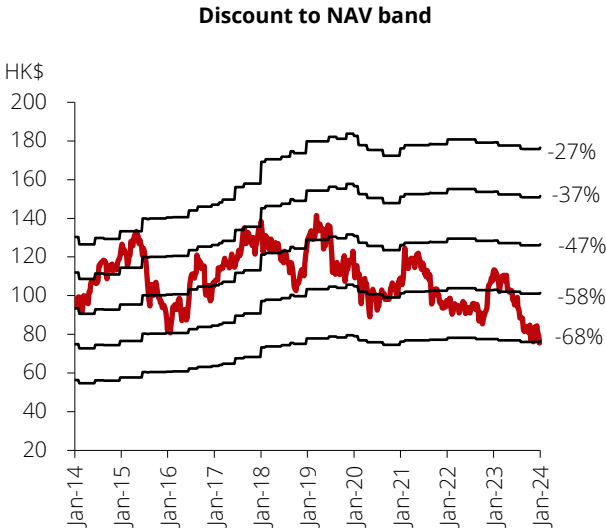
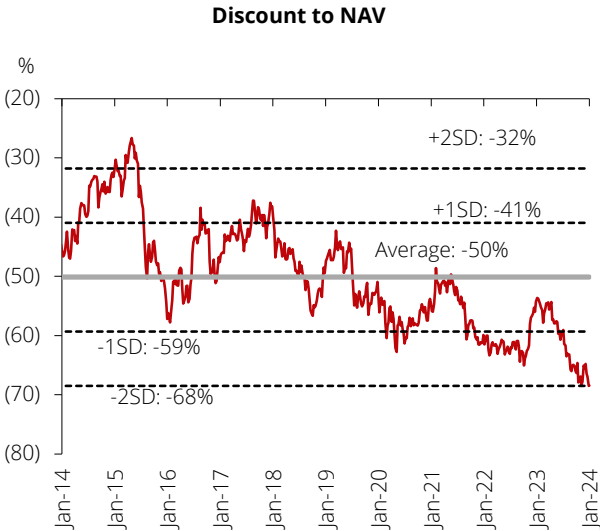
In the past three months, shares of SHKP fell 4%. Meanwhile, the stock is attractively valued, trading at 68% discount to our appraised current NAV, c.2SD below its 10-year average. Estimated dividend yield for FY24F reaches 5.6%. Concerns over property market challenges should be priced in. Major shareholder, Kwok family, has increased its stake in the company recently, signaling the stock's strong embedded value. With strong execution, the company is well positioned to create long-term shareholders' value. By assigning target discount of 60% to our Dec-24 NAV estimate, we set our TP at HK\$99.2 which implies 30% upside potential. BUY

Company Background

Sun Hung Kai Properties (SHKP) is a leading property company in Hong Kong, where it owns a total land bank of 57.9msf in GFA, comprising 34.8msf of completed properties (mainly for rental) and 23.1msf of development properties as of Dec-22. The company also holds sizeable agricultural land in New Territories. In China, SHKP's total land bank reached 68.3msf, made up of 20msf of completed properties (mainly for rent) and 48.3msf of development properties.

Sun Hung Kai Properties

Discount to NAV



Source: Bloomberg Finance L.P., DBS HK

Sun Hung Kai Properties

Key Assumptions (%)

	2024F	2025F
Residential price - HK	(8)	0
Office rental - HK	(5)	0
Retail rental (Shopping centre) - HK	5	5

Source: DBS HK

Segmental Breakdown (HK\$ m)

FY Jun	2021A	2022A	2023A	2024F	2025F
Revenues (HK\$ m)					
Property sales	42,701	33,312	26,183	27,799	40,175
Rental income	20,410	20,438	19,747	20,746	22,013
Hotel operation	2,178	2,651	3,504	4,468	4,935
Telecommunications	6,720	6,957	6,763	6,898	7,012
Data Centre operations	1,874	2,086	2,346	3,012	3,490
Others	11,379	12,303	12,652	13,032	13,423
Total	85,262	77,747	71,195	75,955	91,046

Source: DBS HK

Income Statement (HK\$ m)

FY Jun	2021A	2022A	2023A	2024F	2025F
Turnover	85,262	77,747	71,195	75,955	91,046
EBITDA	42,428	38,359	32,310	34,465	36,742
Depr / Amort	(5,183)	(4,997)	(4,765)	(4,908)	(5,055)
EBIT	37,245	33,362	27,545	29,557	31,687
Associates Inc	3,682	3,148	3,677	3,315	3,267
Interest (Exp)/Inc	(1,990)	(1,747)	(2,499)	(2,510)	(2,500)
Exceptionals	82	267	199	0	0
Pre-tax Profit	39,019	35,030	28,922	30,362	32,454
Tax	(8,378)	(5,728)	(4,379)	(4,733)	(5,254)
Minority Interest	(702)	(573)	(658)	(893)	(914)
Holders of Perpetual Securities	(66)	0	0	0	0
Underlying Profit	29,873	28,729	23,885	24,736	26,287
Sales Gth (%)	3	(9)	(8)	7	20
Net Profit Gth (%)	2	(4)	(17)	4	6
EBITDA Margins (%)	50	49	45	45	40
EBIT Margin (%)	44	43	39	39	35
Tax Rate (%)	21	16	15	16	16

Source: DBS HK

Sun Hung Kai Properties

Balance Sheet (HK\$ m)

FY Jun	2021A	2022A	2023A	2024F	2025F
Fixed Assets	438,800	443,684	450,727	451,137	453,337
Long-term Investments	3,229	3,030	1,991	1,991	1,991
Other LT Assets	5,803	3,996	4,057	4,057	4,057
Intangibles Assets	4,273	5,815	5,079	5,079	5,079
Associates/JVs	101,481	101,392	101,354	107,763	115,711
Bank Balance/Cash & Liquid	21,781	20,323	15,280	16,618	11,536
ST Investments	1,383	698	610	610	610
Inventory	200,934	207,136	211,639	222,075	234,649
Debtors	18,735	21,493	15,254	15,054	15,354
Total Assets	796,419	807,567	805,991	824,384	842,324
ST Debt	20,979	15,857	7,508	31,999	15,000
Creditors	28,210	30,204	32,288	32,588	32,088
Other Current Liab	24,010	16,315	13,618	13,618	13,618
LT Debt	95,844	109,074	117,545	98,054	115,053
Deferred Tax Liabilities	25,694	25,533	23,910	23,910	23,910
Other LT Liabilities	2,056	3,840	4,326	4,326	4,326
Minority Interests	5,806	4,798	4,741	5,134	5,548
Shareholder's Equity	593,820	601,946	602,055	614,754	632,782
Total Cap. & Liab.	796,419	807,567	805,991	824,384	842,324
Share Capital (m)	2,898	2,898	2,898	2,898	2,898
Net Cash/(Debt)	(95,042)	(104,608)	(109,773)	(113,435)	(118,517)
Working Capital	169,634	187,274	189,369	176,152	201,443
Net Gearing (%)	16	17	18	18	19

Source: DBS HK

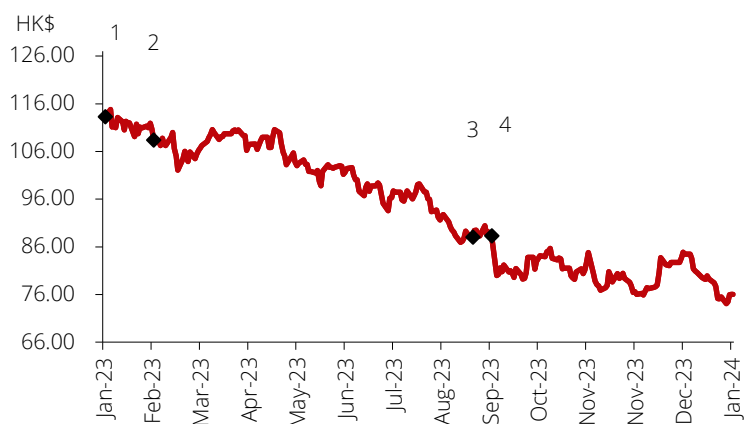
Cash Flow Statement (HK\$ m)

FY Jun	2021A	2022A	2023A	2024F	2025F
EBIT	37,245	33,362	27,545	29,557	31,687
Tax Paid	(5,426)	(7,217)	(7,526)	(4,733)	(5,254)
Depr/Amort	5,183	4,997	4,765	4,908	5,055
Profit or loss on disposal of FAs/subsidiaries/investment	(28)	0	0	0	0
Chg in Wkg.Cap	(20,089)	(15,342)	1,565	(7,936)	(11,674)
Other Non-Cash	(1,229)	(408)	(172)	0	0
Operating CF	15,656	15,392	26,177	21,796	19,815
Net Capex	(10,222)	(12,872)	(15,854)	(3,300)	(3,200)
Investments	(651)	0	0	0	0
Associates & JVs	1,316	2,494	(1,073)	(3,094)	(4,681)
Associates' Dividends	0	0	0	0	0
Others	(3)	886	870	0	0
Investing CF	(9,560)	(9,492)	(16,057)	(6,394)	(7,881)
Net Chg in Debt	2,605	8,767	1,254	5,000	0
New Capital	0	0	0	0	0
Dividend	(14,760)	(14,841)	(14,958)	(14,554)	(12,816)
Other Financing CF	(4,741)	(2,835)	43	(4,510)	(4,200)
Financing CF	(16,896)	(8,909)	(13,661)	(14,064)	(17,016)
Chg in Cash	(10,800)	(3,009)	(3,541)	1,338	(5,082)

Source: DBS HK

Sun Hung Kai Properties

Target Price & Ratings 12-mth History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	27-Jan-23	HK\$112.90	HK\$129.00	Buy
2:	24-Feb-23	HK\$110.70	HK\$128.30	Buy
3:	28-Aug-23	HK\$88.65	HK\$111.90	Buy
4:	8-Sep-23	HK\$88.30	HK\$111.80	Buy

Source: DBS HK

Analyst: *Jeff Yau, CFA*
Percy Leung
Cherie Wong

Sun Hung Kai Properties

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: 26 Jan 2024 10:20:22 (HKT)

Dissemination Date: 26 Jan 2024 14:48:26 (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.

Sun Hung Kai Properties

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 Sun Hung Kai Properties Ltd (16 HK) recommended in this report as of 23 Jan 2024.
2. **Compensation for investment banking services:**
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 Sun Hung Kai Properties Ltd (16 HK) as of 31 Dec 2023.
3. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for Sun Hung Kai Properties Ltd (16 HK) in the past 12 months, as of 31 Dec 2023.


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.

4. **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	<p>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.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH 8290) 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 Sirithanarattanakul] 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>

Sun Hung Kai Properties

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

Sun Hung Kai Properties

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: Andy Sim

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