

# China / Hong Kong Company Update

## Country Garden Services Holdings Co Ltd

Bloomberg: 6098 HK Equity | Reuters: 6098.HK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

2 Feb 2024

### HOLD

Last Traded Price (1 Feb 2024): HK\$5.09 (HSI : 15,566)  
Price Target 12-mth: HK\$5.50 (8% upside) (Prev HK\$9.00)

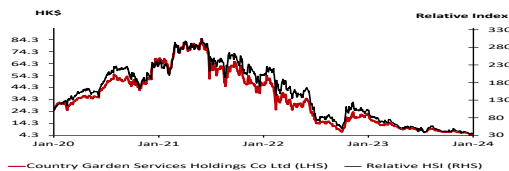
#### Analyst

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

#### What's New

- Multiple headwinds weighing on earnings outlook
- Near-term share price and valuation may remain subdued pending clarity on Country Garden's offshore restructuring plan
- Cut FY23-25F earnings forecast by 22-23% to reflect the challenging near-term growth outlook and margin pressure
- Maintain HOLD with revised TP of HK\$5.50/sh

#### Price Relative



#### Forecasts and Valuation

FY Dec (RMBm)	2022A	2023F	2024F	2025F
Turnover	41,367	41,210	42,924	44,424
EBITDA	5,427	7,104	7,379	7,526
Pre-tax Profit	3,486	5,263	5,548	5,706
Net Profit	1,943	3,660	3,858	3,969
Net Pft (Pre Ex) (core profit)	5,022	3,660	3,858	3,969
Net Profit Gth (Pre-ex) (%)	9.0	(27.1)	5.4	2.9
EPS (RMB)	0.58	1.09	1.15	1.18
EPS (HK\$)	0.63	1.18	1.25	1.28
Core EPS (RMB)	1.49	1.09	1.15	1.18
Core EPS (HK\$)	1.62	1.18	1.25	1.28
EPS Gth (%)	(55.1)	88.3	5.4	2.9
Core EPS Gth (%)	1.6	(27.1)	5.4	2.9
Diluted EPS (HK\$)	1.62	1.18	1.25	1.28
DPS (HK\$)	0.41	0.30	0.31	0.32
BV Per Share (HK\$)	12.11	12.89	13.84	14.81
PE (X)	8.1	4.3	4.1	4.0
CorePE (X)	3.1	4.3	4.1	4.0
P/Cash Flow (X)	4.7	2.8	3.4	3.4
P/Free CF (X)	nm	5.5	8.5	8.4
EV/EBITDA (X)	1.7	1.1	1.0	0.8
Net Div Yield (%)	8.0	5.8	6.1	6.3
P/Book Value (X)	0.4	0.4	0.4	0.3
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE(%)	5.3	9.5	9.3	9.0
Earnings Rev (%):		(22)	(22)	(23)
Consensus EPS (RMB)		1.10	1.26	1.36
Other Broker Recs:		B:23	S:4	H:8

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

### Facing multiple headwinds

#### Investment Thesis

**Operationally independent industry leader with multiple business lines.**

Supported by its sister developer Country Garden (CG, 2007 HK) and its proactiveness in the M&A space, CGS has become the largest property manager in China, in terms of contracted and managed GFA. The company has made inroads and established a presence in synergetic community VAS businesses (e.g., community media) and city services. With only 4.4% of revenue derived directly from CG in 1H23 and a falling portion of incremental contracted GFA from its related developer, CGS demonstrated its ability to operate independently whilst maintaining its industry leader position despite the absence of support from related parties.

**Cloudy earnings outlook.** CGS's community VAS (such as community media) is facing challenges alongside a weaker-than-expected macro backdrop. Its property management (PM) business will likely be suppressed alongside a continuously fierce competition environment. Growth outlook for city services is also uncertain with local governments operating under tighter budgets. These, coupled with sizeable receivables and goodwill impairment announced in Dec-23, will likely drag CGS's near-term earnings outlook. We have revised down our FY23-25F core earnings forecast (excl. goodwill and receivable impairments) by 22-23%.

**Eyes on CG's upcoming offshore restructuring plan.** With CGS being a valuable offshore asset of the Yang family, we believe the 16.12% stake held by Chairlady Yang could potentially be put on the negotiation table for CG's offshore restructuring plan as part of an asset package to offset part of the developers' outstanding offshore debt or as credit enhancement. Uncertainties relating to CGS's role in CG's restructuring plan will likely remain a key share price and valuation overhang in the near-term.

**Maintain HOLD with HK\$5.50/sh TP.** We believe uncertainty over CGS's role in CG's restructuring plan will remain an overhang on the counter's share price performance until there is clarity on the matter. Our new TP is based on a three-stage DCF model, which implies c.4.3x FY24F P/E.

#### Key Risks

Adverse developments on CG's restructuring progress; larger than expected impairment on related party receivable

#### At A Glance

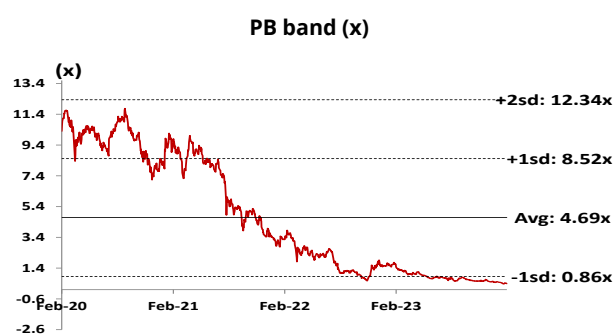
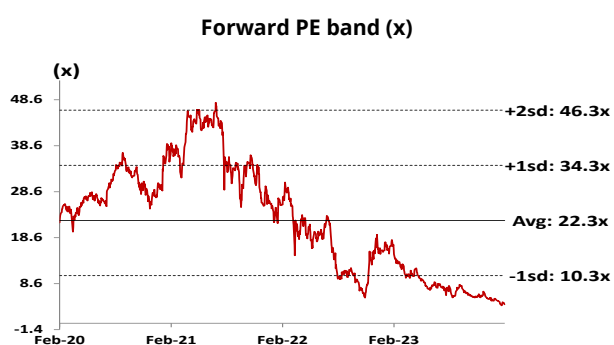
Issued Capital (m shrs)	3,373
Mkt Cap (HKm/US\$m)	17,169 / 2,196
Major Shareholders (%)	
Yang (Huiyan)	16.1
Free Float (%)	63.5
3m Avg. Daily Val. (US\$m)	23.1
GICS Industry: Industrials / Commercial & Professional Service	

## Country Garden Services Holdings Co Ltd

### Company Background

CGS is the property management arm of Country Garden (CG; 2007 HK). It was spun off by the introduction onto the HKSE via a 1-for-8.7 distribution ratio of CG shares in June 2018. The company is a leading residential property management services provider, ranked first in terms of overall strength among the Top 100 Property Management Companies in China by the CIA in 2020. It operated total contracted GFA of 1.65bn sm as at Jun-23.

### Historical PE and PB band



Source: Thomson Reuters, DBS HK

## Country Garden Services Holdings Co Ltd

### Segmental Breakdown (RMB m)

FY Dec	2021A	2022A	2023F	2024F	2025F
<b>Revenues (RMB m)</b>					
Property management services	13,794	22,856	23,159	24,795	25,971
Three supplies and property management	2,508	4,118	4,187	4,270	4,356
Heat supply	1,222	1,435	1,507	1,582	1,630
Community value-added services	3,328	4,018	3,730	3,972	4,244
Value-added services to non-property owners	2,675	2,665	2,057	1,731	1,635
City services	4,529	4,837	5,061	4,934	4,811
Other services	788	1,439	1,511	1,638	1,778
<b>Total</b>	<b>28,843</b>	<b>41,367</b>	<b>41,210</b>	<b>42,924</b>	<b>44,424</b>
<b>Gross Profit (RMB m)</b>					
Property management services	4,180	5,828	5,446	5,707	5,847
Three supplies and property management	291	362	293	299	305
Heat supply	127	136	113	119	122
Community value-added services	2,013	2,149	1,608	1,717	1,659
Value-added services to non-property owners	1,094	362	194	172	167
City services	797	909	886	864	866
Other services	362	509	531	584	641
<b>Total</b>	<b>8,864</b>	<b>10,257</b>	<b>9,071</b>	<b>9,460</b>	<b>9,608</b>
<b>Gross Profit Margins (%)</b>					
Property management services	30.3	25.5	23.5	23.0	22.5
Three supplies and property management	11.6	8.8	7.0	7.0	7.0
Heat supply	10.4	9.5	7.5	7.5	7.5
Community value-added services	60.5	53.5	43.1	43.2	39.1
Value-added services to non-property owners	40.9	13.6	9.4	9.9	10.2
City services	17.6	18.8	17.5	17.5	18.0
Other services	45.9	35.4	35.1	35.6	36.1
<b>Total</b>	<b>30.7</b>	<b>24.8</b>	<b>22.0</b>	<b>22.0</b>	<b>21.6</b>

Source: Company, DBS HK

## Country Garden Services Holdings Co Ltd

### Income Statement (RMB m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Revenue	28,843	41,367	41,210	42,924	44,424
Cost of Goods Sold	(19,979)	(31,109)	(32,140)	(33,464)	(34,817)
<b>Gross Profit</b>	<b>8,864</b>	<b>10,257</b>	<b>9,071</b>	<b>9,460</b>	<b>9,608</b>
Other Opg (Exp)/Inc	(3,135)	(6,734)	(3,874)	(3,992)	(3,998)
<b>Operating Profit</b>	<b>5,729</b>	<b>3,523</b>	<b>5,197</b>	<b>5,468</b>	<b>5,610</b>
Other Non Opg (Exp)/Inc	0	0	0	0	0
Associates & JV Inc	41	34	38	42	48
Net Interest (Exp)/Inc	(98)	(72)	28	38	49
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>5,673</b>	<b>3,486</b>	<b>5,263</b>	<b>5,548</b>	<b>5,706</b>
Tax	(1,323)	(1,224)	(1,316)	(1,387)	(1,427)
Minority Interest	(316)	(318)	(287)	(302)	(311)
Preference Dividend	0	0	0	0	0
<b>Net Profit</b>	<b>4,033</b>	<b>1,943</b>	<b>3,660</b>	<b>3,858</b>	<b>3,969</b>
Net Profit before Except.	4,607	5,022	3,660	3,858	3,969
EBITDA	6,876	5,427	7,104	7,379	7,526
<b>Growth</b>					
Revenue Gth (%)	84.9	43.4	(0.4)	4.2	3.5
EBITDA Gth (%)	71.6	(21.1)	30.9	3.9	2.0
Opg Profit Gth (%)	57.8	(38.5)	47.5	5.2	2.6
Net Profit Gth (%)	50.2	(51.8)	88.3	5.4	2.9
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	30.7	24.8	22.0	22.0	21.6
Opg Profit Margin (%)	17.9	6.8	10.9	11.1	11.0
Net Profit Margin (%)	19.7	8.4	12.8	12.9	12.8
ROAE (%)	15.9	5.3	9.5	9.3	9.0
ROA (%)	8.2	2.8	5.1	5.1	5.0
ROCE (%)	13.1	4.9	8.2	8.1	7.8
Div Payout Ratio (%)	25.0	64.6	25.0	25.0	25.0
Net Interest Cover (x)	58.6	48.8	NM	NM	NM

Source: Company, DBS HK

## Country Garden Services Holdings Co Ltd

### Balance Sheet (RMB m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Net Fixed Assets	1,366	1,478	3,571	5,665	7,759
Invt in Associates & JVs	398	645	683	724	772
Other LT Assets	33,849	33,298	32,138	30,977	29,816
Cash & ST Invt	11,756	11,446	13,021	13,996	14,964
Inventory	211	271	270	281	291
Debtors	15,578	22,146	22,895	24,528	26,132
Other Current Assets	3,656	794	863	863	863
<b>Total Assets</b>	<b>66,813</b>	<b>70,077</b>	<b>73,440</b>	<b>77,034</b>	<b>80,597</b>
ST Debt	4,745	1,238	1,238	1,238	1,238
Creditors	14,413	16,865	17,536	17,885	18,132
Other Current Liab	5,632	6,891	6,891	6,891	6,891
LT Debt	442	1,016	1,016	1,016	1,016
Other LT Liabilities	3,207	4,158	4,158	4,158	4,158
Shareholder's Equity	36,187	37,456	39,861	42,804	45,809
Minority Interests	2,187	2,453	2,739	3,042	3,353
<b>Total Cap. &amp; Liab.</b>	<b>66,813</b>	<b>70,077</b>	<b>73,440</b>	<b>77,034</b>	<b>80,597</b>
Non-Cash Wkg. Capital	(601)	(546)	(401)	895	2,262
Net Cash/(Debt)	6,569	9,192	10,767	11,743	12,710
Debtors Turn (avg days)	131.7	166.4	199.5	201.6	208.1
Creditors Turn (avg days)	211.7	195.2	207.4	204.6	199.5
Inventory Turn (avg days)	3.4	3.0	3.3	3.2	3.2
Asset Turnover (x)	0.6	0.6	0.6	0.6	0.6
Current Ratio (x)	1.3	1.4	1.4	1.5	1.6
Quick Ratio (x)	1.1	1.3	1.4	1.5	1.6
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	332.8	152.2	124.3	124.3	124.3

Source: Company, DBS HK

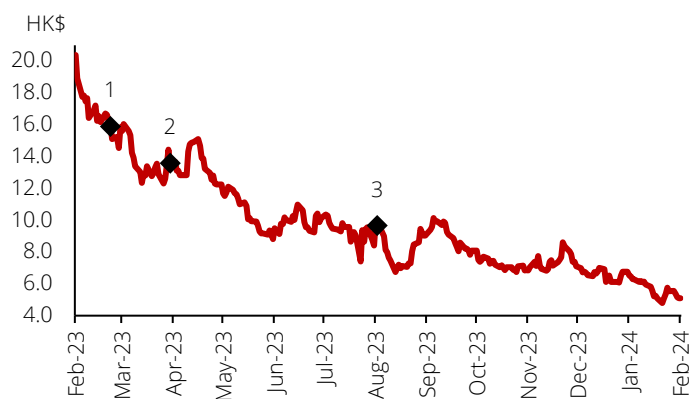
### Cash Flow Statement (RMB m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Pre-Tax Profit	5,673	3,486	5,263	5,548	5,706
Dep. & Amort.	1,105	1,869	1,869	1,869	1,869
Tax Paid	(1,347)	(1,877)	(1,316)	(1,387)	(1,427)
Assoc. & JV Inc/(loss)	(41)	(34)	(38)	(42)	(48)
(Pft)/ Loss on disposal of FAs	(35)	(74)	0	0	0
Chg in Wkg.Cap.	(1,972)	(2,138)	(76)	(1,296)	(1,366)
Other Operating CF	25	2,091	(28)	(38)	(49)
<b>Net Operating CF</b>	<b>3,407</b>	<b>3,321</b>	<b>5,674</b>	<b>4,654</b>	<b>4,685</b>
Capital Exp.(net)	(17,262)	(3,431)	(2,802)	(2,802)	(2,802)
Other Invt.(net)	4,608	9,908	0	0	0
Invt in Assoc. & JV	(637)	(133)	0	0	0
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(11,801)	(5,589)	140	150	162
<b>Net Investing CF</b>	<b>(25,092)</b>	<b>755</b>	<b>(2,662)</b>	<b>(2,651)</b>	<b>(2,640)</b>
Div Paid	(697)	(889)	(1,255)	(915)	(965)
Chg in Gross Debt	4,538	1,131	0	0	0
Capital Issues	15,312	(80)	0	0	0
Other Financing CF	(855)	(4,572)	(113)	(113)	(113)
<b>Net Financing CF</b>	<b>18,298</b>	<b>(4,411)</b>	<b>(1,368)</b>	<b>(1,028)</b>	<b>(1,077)</b>
Currency Adjustments	(209)	0	0	0	0
Chg in Cash	(3,597)	(334)	1,644	975	968
Opg CFPS (RMB)	1.71	1.62	1.71	1.77	1.80
Free CFPS (RMB)	(4.41)	(0.03)	0.85	0.55	0.56

Source: Company, DBS HK

**Country Garden Services Holdings Co Ltd**

**Target Price & Ratings 12-mth History**



S.No.	Date	Closing Price	Target Price	Rating
1	23-Feb-23	HK\$16.14	HK\$21.83	BUY
2	31-Mar-23	HK\$14.44	HK\$18.83	BUY
3	3-Aug-23	HK\$9.91	HK\$9.00	HOLD

Source: DBS HK

Analyst: Jason Lam

Dexter Chun

Ben Wong

DBS Group Research recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

\*Share price appreciation + dividends

Completed Date: 2 Feb 2024 12:59:25 (HKT)

Dissemination Date: 2 Feb 2024 14:51:35 (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.

**Country Garden Services Holdings Co Ltd**

---

**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 associate<sup>1</sup> 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 interests<sup>2</sup> 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 Country Garden Services Holdings Co Ltd (6098 HK) recommended in this report as of 23 Jan 2024.
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.


---

<sup>1</sup> 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.

<sup>2</sup> 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

<b>General</b>	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.
<b>Australia</b>	<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>
<b>Hong Kong</b>	<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>
<b>Indonesia</b>	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
<b>Malaysia</b>	<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>
<b>Singapore</b>	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.
<b>Thailand</b>	<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>
<b>United Kingdom</b>	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS Bank Ltd is regulated by the Monetary Authority of Singapore. DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>

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

**DBS Bank (Hong Kong) Limited**

13<sup>th</sup> Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

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

## Country Garden Services Holdings Co Ltd

---

### 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](mailto: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](mailto: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](mailto: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](mailto:research@th.dbs.com)

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand