

Singapore Company Guide

China Merchants Hldgs (Pacific)

Edition 1 Version 1 | Bloomberg: CMH SP | Reuters: CAEP.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

13 Oct 2015

BUY

Last Traded Price: S\$0.91 (STI : 3,032.11)

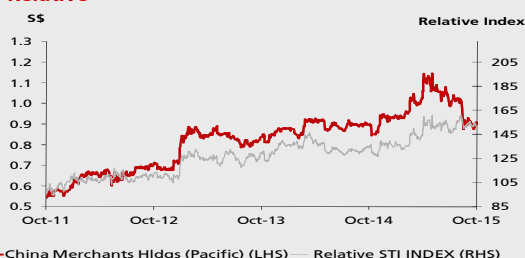
Price Target : S\$1.45 (59% upside)

Potential Catalyst: Earnings growth and execution

Analyst

Paul YONG CFA +65 6682 3712 paulyong@dbs.com

Price Relative



Forecasts and Valuation

FY Dec (HK\$ m)	2014A	2015F	2016F	2017F
Revenue	2,019	2,271	2,762	3,033
EBITDA	1,900	2,054	2,511	2,759
Pre-tax Profit	1,348	1,548	1,514	1,733
Net Profit	739	932	853	1,004
Net Pft (Pre Ex.)	675	714	853	1,004
EPS (S cts)	11.0	12.2	8.2	9.7
EPS Pre Ex. (S cts)	10.1	9.4	8.2	9.7
EPS Gth (%)	7	11	(33)	18
EPS Gth Pre Ex (%)	6	(7)	(12)	18
Diluted EPS (S cts)	11.0	12.2	8.2	9.7
Net DPS (S cts)	7.0	7.0	7.0	7.0
BV Per Share (S cts)	95.1	106.8	109.2	112.1
PE (X)	8.2	7.4	11.1	9.4
PE Pre Ex. (X)	9.0	9.7	11.1	9.4
P/Cash Flow (X)	5.0	4.5	5.9	5.2
EV/EBITDA (X)	6.2	8.6	7.6	6.5
Net Div Yield (%)	7.7	7.7	7.7	7.7
P/Book Value (X)	1.0	0.9	0.8	0.8
Net Debt/Equity (X)	0.4	0.6	0.5	0.4
ROAE (%)	11.6	8.4	7.5	8.6
Earnings Rev (%):		-	(4)	(4)
Other Broker Recs:		B: 2	S: 0	H: 0

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

GROWING GREATNESS

Acquisitions to drive bottom line expansion. The recently completed acquisitions of Jiurui Expressway and three toll roads in Guangxi Zhuang Autonomous Region should propel the group's top and bottom lines in the medium to long term. We project CMHP's core earnings will grow by nearly 50% from HK\$675m in 2014 to HK\$1,004m by 2017F, driven by contribution from these recent acquisitions.

Value-accretive acquisitions a potential catalyst. Over the last four years, the group has acquired six expressways, disposed off a Class 1 highway (Yuyao Highway), and its property development business in New Zealand, which have streamlined and expanded its core expressway business. We believe the group will continue to look for expressway acquisitions to expand its business, which could be a catalyst for a re-rating of its share price.

Consistent and attractive dividend yields. CMHP has been consistently paying attractive dividends to its shareholders (7Scts per share per annum in the last two years). We project CMHP will maintain 7Scts payout for FY15 and FY16 (<85% payout), translating into an attractive 7.7% yield currently.

Valuation:

Our 12-month target price of S\$1.45 is based on DCF valuation with WACC of 9.8%, and offers >60% upside. We see the stock re-rating as it delivers earnings growth.

Key Risks to Our View:

Exposure to Chinese economy and regulatory risks. Key risks for the group are a) its 100% exposure to the Chinese economy and Rmb, b) its earnings would be negatively impacted if toll rate tariffs are revised downwards.

At A Glance

Issued Capital (m shrs)	1,196
Mkt. Cap (S\$m/US\$m)	1,089 / 781
Major Shareholders	
China Merchants Group (%)	75.9
Liu Qiang (%)	6.0
Free Float (%)	18.1
3m Avg. Daily Val (US\$m)	0.52

ICB Industry : Industrials / Industrial Transportation

CRITICAL DATA POINTS TO WATCH

Earnings Drivers:

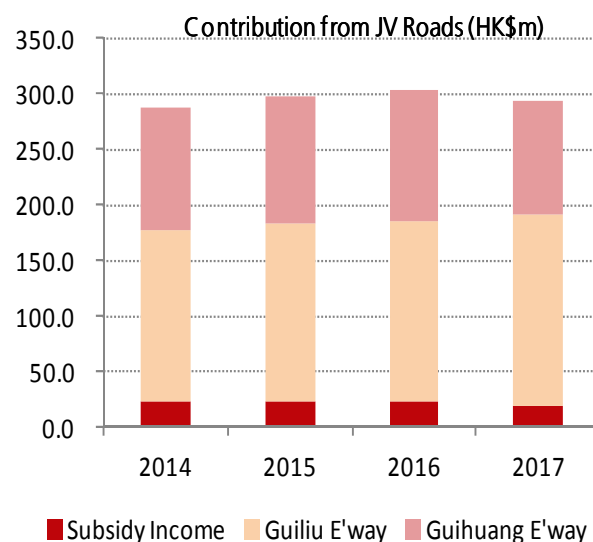
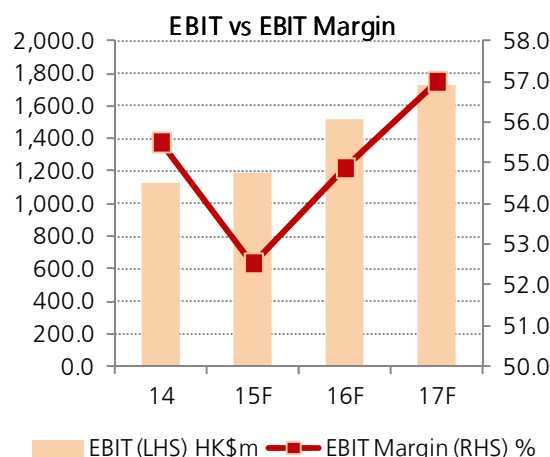
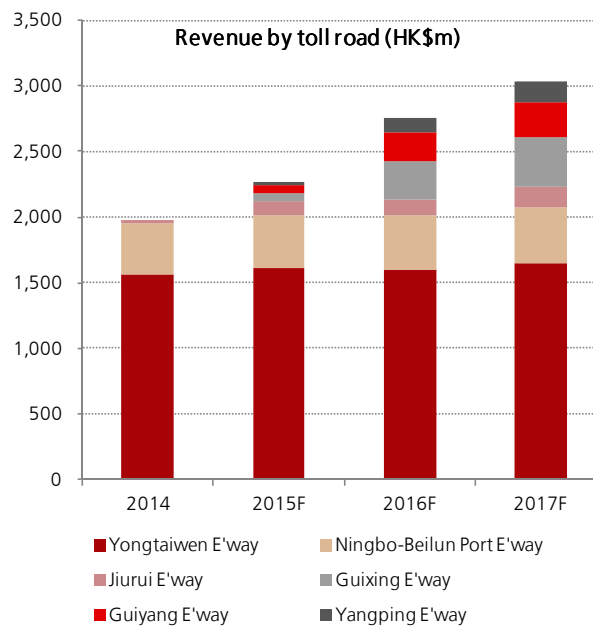
New road acquisitions to help drive revenue growth. We project the group’s total revenue to grow from HK\$2,019m in FY14 to HK\$3,033 by 2017F, or c. 50%, driven largely by contribution from newly acquired roads Jiurui E’way (acquired end-2014), Guiyang E’way, Guixing E’way and Yangping E’way (all three were acquired end-2015). Revenue contribution from these four roads is expected to amount to HK\$954m in 2017F or 31.5% of group revenue. Meanwhile, revenue from the more mature Yongtaiwen E’way and Ningbo-Beilun Port E’way are expected to increase at a modest pace.

Expect modest traffic volume growth for mature roads, and stronger growth for younger roads. For mature roads like the Yongtaiwen E’way and Ningbo-Beilun Port E’way, we are projecting 3%-4% per annum growth in traffic volumes in the medium to long-term while for the younger, newly acquired roads, traffic volume growth is projected (by independent traffic consultants) to range from the mid-teens to over 20% per annum over the next few years, driven by rapid economic growth in the less developed regions of Jiangxi and Guangxi, as well as increased connections to these roads over time. Beyond 2017, traffic on these young roads are still projected to grow at least in the high single digits to low teens.

Stable earnings contribution from JV roads. We expect contribution from the group’s two jointly controlled roads Guiliu E’way and Guihuang Highway, to be stable at between HK\$294m to HK\$303m over the next few years, as these are fairly mature roads with predictable cash flows and earnings.

No rate hike assumed in our projections. Toll rates are determined at the provincial level, and while toll road companies can propose changes to toll rate schemes to the respective provincial government, the final decision lies with the provincial government. Although there have been instances of rate hikes in recent years in various provinces, we have not assumed any rate hikes for any of the group’s toll roads in the short or long term. This represents upside risk to our long term revenue forecasts, and ultimately DCF-based valuation for CMHP.

14% net profit CAGR over 2014 to 2017F. Driven by steady growth in revenue, we project the group’s EBIT to grow by 54% from HK\$1,121m in 2014 to HK\$1,729m in 2017F. Coupled with stable contribution from jointly controlled roads, this should drive net earnings to grow by c. 50% from HK\$675m in 2014 to HK\$1,100m by 2017F.



Source: Company, DBS Bank

Balance Sheet:

Comfortable gearing position following recent rights issue to fund acquisitions. The group recently completed a rights issue that raised S\$599.5m in gross proceeds (>99% was taken up by the parent company, China Merchants Group), which will be used to partially fund the Rmb3.04bn acquisition of three toll roads in Guangxi. With the remainder of the consideration to be funded by debt, we estimate that the group's net debt to equity ratio will rise from 0.36x at the end of 2014 to 0.59x by end-2015F. Thereafter, we project net gearing to subsequently fall to 0.51x by end-2016 and 0.42x by end-2017 on positive free cash flow generation from its toll road operations.

Share Price Drivers:**Earnings improvement to drive share price re-rating.**

Following the acquisition of the three roads in Guangxi, we project CMHP's core earnings to improve 20% in 2016F to HK\$853m, and 18% in 2017F to HK\$1,004m. In EPS terms, this translates to a 12% decline (due to dilution from the rights issue) to 8.45cts in 2016F and 18% growth in 2017F to 9.95cts. A sustained improvement in earnings could drive a re-rating of its share price.

Value-accretive acquisitions a potential catalyst. Over the last four years, the group has acquired six expressways, disposed off a Class 1 highway (Yuyao Highway), and its property development business in New Zealand, which has streamlined and expanded its core expressway business. We believe the group will continue to look for expressway acquisitions to expand its business, which could be a re-rating catalyst for its share price.

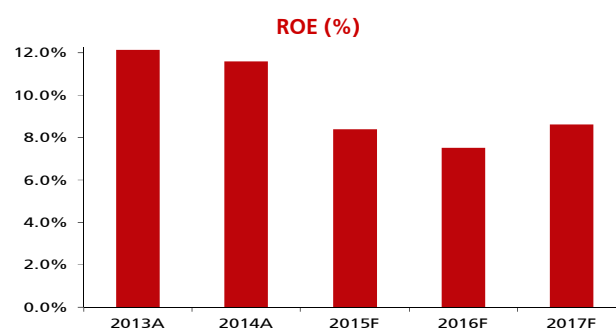
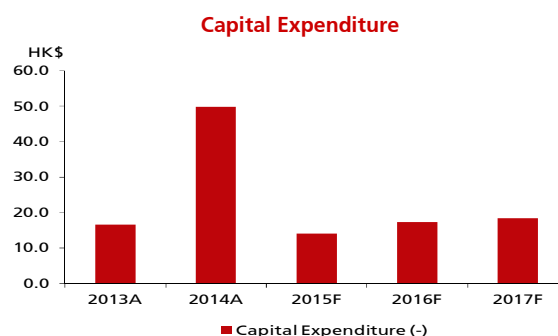
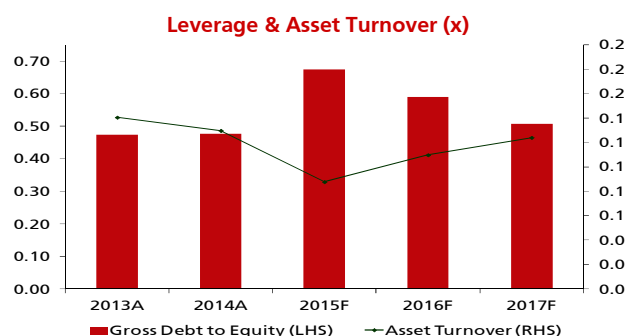
Key Risks:

Exposed to China's growth. CMHP's core earnings are derived entirely from its toll road operations in China, which leaves it vulnerable to China's country risks. As the group's functional currency is the Rmb, EPS in S\$ terms is subject to SGD-Rmb volatility.

Regulatory changes could affect earnings. Any downward revision in tariff rates would hurt the group's bottom line and cash flows.

COMPANY BACKGROUND

China Merchants Holdings (Pacific) currently operates eight toll roads in China, with a total length of 576km, in four different provinces (Zhejiang, Guangxi Zhuang Autonomous Region, Jiangxi and Guizhou) in the country. It is majority-owned by China Merchants Group.



Source: Company, DBS Bank

China Merchants Hldgs (Pacific)

Income Statement (HK\$ m)

FY Dec	2013A	2014A	2015F	2016F	2017F
Revenue	1,886	2,019	2,271	2,762	3,033
Cost of Goods Sold	(841)	(907)	(967)	(1,095)	(1,148)
Gross Profit	1,045	1,113	1,303	1,666	1,884
Other Opng (Exp)/Inc	(60)	8	(110)	(151)	(156)
Operating Profit	985	1,121	1,193	1,515	1,729
Other Non Opng (Exp)/Inc	22	24	24	24	20
Associates & JV Inc	248	264	275	280	274
Net Interest (Exp)/Inc	(154)	(125)	(161)	(305)	(289)
Exceptional Gain/(Loss)	49	64	218	0	0
Pre-tax Profit	1,150	1,348	1,548	1,514	1,733
Tax	(253)	(289)	(283)	(328)	(385)
Minority Interest	(283)	(320)	(333)	(333)	(345)
Preference Dividend	6	0	0	0	0
Net Profit	620	739	932	853	1,004
Net Profit before Except.	571	675	714	853	1,004
EBITDA	1,731	1,900	2,054	2,511	2,759
Growth					
Revenue Gth (%)	30.6	7.1	12.4	21.6	9.8
EBITDA Gth (%)	35.4	9.8	8.1	22.3	9.8
Opg Profit Gth (%)	32.3	13.8	6.4	27.0	14.1
Net Profit Gth (Pre-ex) (%)	48.2	18.2	5.7	19.5	17.6
Margins & Ratio					
Gross Margins (%)	55.4	55.1	57.4	60.3	62.1
Opg Profit Margin (%)	52.2	55.5	52.5	54.9	57.0
Net Profit Margin (%)	32.9	36.6	41.0	30.9	33.1
ROAE (%)	12.1	11.6	8.4	7.5	8.6
ROA (%)	4.6	4.7	3.6	3.4	4.1
ROCE (%)	6.3	6.2	4.1	5.1	6.0
Div Payout Ratio (%)	50.3	56.4	64.4	82.7	75.4
Net Interest Cover (x)	6.4	9.0	7.4	5.0	6.0

Source: Company, DBS Bank

Quarterly / Interim Income Statement (HK\$ m)

FY Dec	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015
Revenue	494	529	532	494	537
Cost of Goods Sold	(216)	(219)	(260)	(219)	(221)
Gross Profit	278	310	272	276	316
Other Oper. (Exp)/Inc	10	26	(16)	(13)	22
Operating Profit	289	336	255	263	338
Other Non Opg (Exp)/Inc	6	6	6	6	6
Associates & JV Inc	71	72	45	64	64
Net Interest (Exp)/Inc	(32)	(28)	(34)	(33)	(28)
Exceptional Gain/(Loss)	68	0	0	0	0
Pre-tax Profit	402	385	272	299	379
Tax	(70)	(82)	(70)	(74)	(89)
Minority Interest	(83)	(92)	(71)	(82)	(95)
Net Profit	249	211	131	142	195
Net profit bef Except.	181	211	131	142	195
EBITDA	334	385	272	299	379

Growth

Revenue Gth (%)	6.4	7.0	0.7	(7.1)	8.6
EBITDA Gth (%)	14.0	15.3	(29.3)	9.9	26.9
Opg Profit Gth (%)	19.8	16.2	(23.9)	2.9	28.7
Net Profit Gth (Pre-ex) (%)	18.9	16.6	(37.8)	8.4	37.1

Margins

Gross Margins (%)	56.3	58.6	51.1	55.8	58.8
Opg Profit Margins (%)	58.4	63.5	48.0	53.2	63.0
Net Profit Margins (%)	50.5	39.9	24.7	28.8	36.3

Balance Sheet (HK\$ m)

FY Dec	2013A	2014A	2015F	2016F	2017F
Net Fixed Assets	188	209	195	178	160
Invt in Associates & JVs	1,927	1,702	1,626	1,551	1,475
Other LT Assets	9,285	12,429	22,784	22,126	21,426
Cash & ST Invt	1,448	1,049	1,119	1,123	1,215
Inventory	1	1	1	1	1
Debtors	71	200	200	200	200
Other Current Assets	512	0	0	0	0
Total Assets	13,432	15,591	25,925	25,178	24,476
ST Debt	249	402	402	402	402
Creditor	482	633	633	633	633
Other Current Liab	807	660	1,331	1,331	1,331
LT Debt	3,419	3,845	8,800	7,800	6,800
Other LT Liabilities	713	1,121	1,121	1,121	1,121
Shareholder's Equity	5,109	6,374	11,082	11,335	11,633
Minority Interests	2,652	2,556	2,556	2,556	2,556
Total Cap. & Liab.	13,432	15,591	25,925	25,178	24,476
Non-Cash Wkg. Capital	(706)	(1,093)	(1,764)	(1,764)	(1,764)
Net Cash/(Debt)	(2,220)	(3,198)	(8,083)	(7,079)	(5,987)
Debtors Turn (avg days)	13.7	36.1	32.1	26.4	24.0
Creditors Turn (avg days)	482.4	556.9	571.1	573.6	560.9
Inventory Turn (avg days)	0.8	0.9	0.9	0.9	0.9
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.1
Current Ratio (x)	1.3	0.7	0.6	0.6	0.6
Quick Ratio (x)	1.0	0.7	0.6	0.6	0.6
Net Debt/Equity (X)	0.3	0.4	0.6	0.5	0.4
Net Debt/Equity ex MI (X)	0.4	0.5	0.7	0.6	0.5
Capex to Debt (%)	0.5	1.2	0.2	0.2	0.3
Z-Score (X)	1.4	1.2	0.7	0.8	0.9

Three new roads
acquired in 2015

Source: Company, DBS Bank

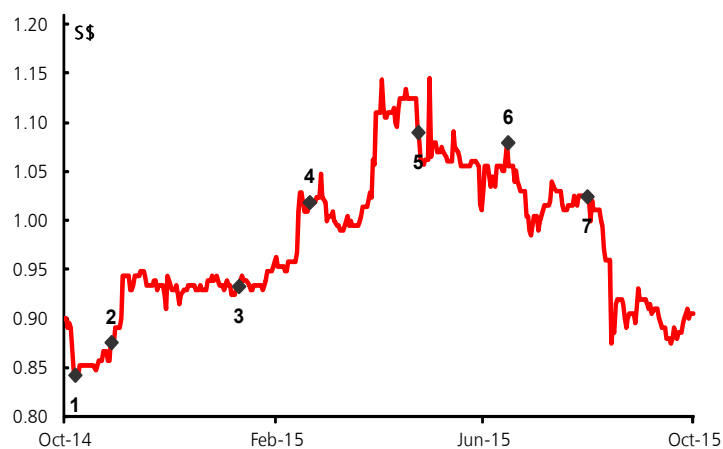
Cash Flow Statement (HK\$ m)

FY Dec	2013A	2014A	2015F	2016F	2017F
Pre-Tax Profit	1,101	1,348	1,548	1,514	1,733
Dep. & Amort.	477	506	563	692	736
Tax Paid	(198)	(337)	(283)	(328)	(385)
Assoc. & JV Inc/(loss)	(248)	(264)	(275)	(280)	(274)
Chg in Wkg.Cap.	(28)	88	0	0	0
Other Operating CF	2	(131)	0	0	0
Net Operating CF	1,107	1,209	1,553	1,599	1,811
Capital Exp.(net)	(17)	(50)	(14)	(17)	(18)
Other Invt.(net)	0	(695)	(5,326)	0	0
Invt in Assoc. & JV	76	104	104	104	104
Div from Assoc & JV	234	373	247	252	246
Other Investing CF	0	0	0	0	0
Net Investing CF	293	(269)	(4,990)	338	332
Div Paid	(427)	(754)	(750)	(934)	(1,051)
Chg in Gross Debt	(839)	(607)	848	(1,000)	(1,000)
Capital Issues	0	25	3,409	0	0
Other Financing CF	0	0	0	0	0
Net Financing CF	(1,266)	(1,335)	3,507	(1,934)	(2,051)
Currency Adjustments	58	(5)	0	0	0
Chg in Cash	193	(400)	70	4	92
Opg CFPS (HK cts)	104.8	93.0	113.3	85.6	97.0
Free CFPS (HK cts)	100.7	96.2	112.2	84.7	96.0

Acquisition of three toll roads in Guangxi

Source: Company, DBS Bank

Target Price & Ratings History



Note: Share price and Target price are adjusted for corporate actions.

S.No.	Date	Closing Price	Target Price	Rating
1:	17 Oct 14	0.84	1.36	BUY
2:	07 Nov 14	0.88	1.36	BUY
3:	20 Jan 15	0.93	1.36	BUY
4:	02 Mar 15	1.02	1.35	BUY
5:	04 May 15	1.09	1.35	BUY
6:	25 Jun 15	1.08	1.54	BUY
7:	10 Aug 15	1.03	1.45	BUY

Source: DBS Bank

DBS Bank recommendations are based on 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 catalysts within this time frame)

Share price appreciation + dividends

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd and DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates (collectively, the "DBS Vickers Group") 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., its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group")) do not make any representation or warranty as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document 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 and it may not contain all material information concerning the company (or companies) referred to in this report.

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.

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 U.S.-registered broker-dealer, does not have its own investment banking or research department, nor has it participated in any investment banking transaction as a manager or co-manager in the past twelve months.

ANALYST CERTIFICATION

The research analyst 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 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 this report. As of the date the report is published, the analyst and his/her spouse and/or relatives who are financially dependent on the analyst, do not hold interests in the securities recommended in this report ("interest" includes direct or indirect ownership of securities).


COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd., DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 31 Aug 2015
2. DBS Bank Ltd., DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may beneficially own a total of 1% of any class of common equity securities of the company mentioned as of 31 Aug 2015
3. **Compensation for investment banking services:**
DBS Bank Ltd., DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have received compensation, within the past 12 months, and within the next 3 months may receive or intends to seek compensation for investment banking services from the company mentioned.

China Merchants Hldgs (Pacific)

DBSVUSA does not have its own investment banking or research department, nor has it participated in any investment banking transaction as a manager or co-manager 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.

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	This report is being distributed in Australia by DBS Bank Ltd. ("DBS") or DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), both of which 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, which differ from Australian laws. Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.
Hong Kong	This report is being distributed in Hong Kong by DBS Vickers (Hong Kong) Limited which is licensed and regulated by the Hong Kong Securities and Futures Commission.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Securities Indonesia.
Malaysia	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.  Wong Ming Tek, Executive Director, ADBSR
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 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd. Research reports distributed are only intended for institutional clients only and no other person may act upon it.
United Kingdom	This report is being distributed in the UK by DBS Vickers Securities (UK) Ltd, who is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
Dubai	This research report is being distributed in The Dubai International Financial Centre ("DIFC") by DBS Bank Ltd., (DIFC Branch) having its office at PO Box 506538, 3 rd Floor, Building 3, East Wing, Gate Precinct, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United States	Neither this report nor any copy hereof may be taken or distributed into the United States or to any U.S. person except in compliance with any applicable U.S. laws and regulations. It is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. 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 Bank Ltd.

12 Marina Boulevard, Marina Bay Financial Centre Tower 3
Singapore 018982
Tel. 65-6878 8888
Company Regn. No. 196800306E