

Singapore Company Update

Sabana REIT

Bloomberg: SSREIT SP | Reuters: SABA.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

21 Jul 2022

HOLD

Last Traded Price (20 Jul 2022): S\$0.445 (STI : 3,170.29)

Price Target 12-mth: S\$0.48 (8% upside)

Analyst

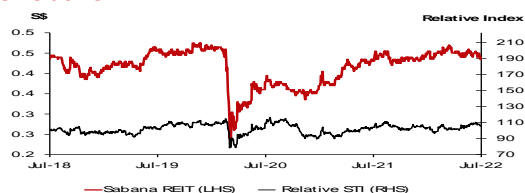
Dale LAI +65 66823715 dalelai@dbs.com

Derek TAN +65 6682 3716 derektan@dbs.com

What's New

- Strong set of results driven by positive rental reversions of 17.4% and improvement in portfolio occupancy
- New 10-year master lease secured for 30/32 Tuas Ave 8 with a tenant from the healthcare sector
- AEI plans at 1 Tuas Ave 4 have commenced and are expected to be completed in 2H23
- Maintain HOLD with unchanged TP of S\$0.48

Price Relative



Forecasts and Valuation

FY Dec (S\$m)	2020A	2021A	2022F	2023F
Gross Revenue	71.7	81.9	84.9	88.1
Net Property Inc	44.6	52.0	55.6	56.7
Total Return	(42.2)	48.8	35.9	36.7
Distribution Inc	29.1	32.5	36.3	37.1
EPU (S cts)	1.87	3.09	3.35	3.43
EPU Gth (%)	(31)	65	8	2
DPU (S cts)	2.76	3.05	3.40	3.47
DPU Gth (%)	(5)	10	11	2
NAV per shr (S cts)	51.3	52.0	51.9	51.9
PE (X)	23.8	14.4	13.3	13.0
Distribution Yield (%)	6.2	6.9	7.6	7.8
P/NAV (x)	0.9	0.9	0.9	0.9
Aggregate Leverage (%)	33.0	33.6	34.1	34.6
ROAE (%)	3.5	6.0	6.5	6.6

Distn. Inc Chng (%): -
 Consensus DPU (S cts): 3.40, 3.50
 Other Broker Recs: B: 0, S: 0, H: 1

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

A prelude to Singapore's resilient industrial sector

Investment Thesis

NTP continues to be the star in the portfolio. The completion of NTP+ has added c.S\$3.5m to Sabana REIT's revenue and boosted occupancies and rental reversions at the REIT's "Crown Jewel". NTP was the main driver of positive rental reversions and uplifted revaluations for the portfolio. Hence, we are forecasting a DPU CAGR of c.7% over the next three years, mainly driven by NTP.

Targeted asset enhancements to drive growth. Having successfully completed five AEIs in the past year that led to portfolio revaluation gains and earnings growth, SSREIT will continue to focus its efforts on more portfolio rejuvenation initiatives. With AEIs at 1 Tuas Avenue 4 expected to commence soon, we believe that more clarity on such plans and firm precommitments for the property will drive an earnings upside.

Exciting growth plans ahead but require more clarity. As SSREIT continues to focus on rejuvenating its portfolio, it is ready to embark on acquisitions in the near to medium term. Although SSREIT's capital management fundamentals are conducive for acquisitions, stiff competition for quality industrial and logistics assets could pose a hurdle. As such, we hope to see more clarity on SSREIT's ability to acquire accretively in the coming years to achieve their targeted S\$1.0bn AUM.

Valuation:

Maintain TP of S\$0.48, maintain HOLD based on DCF with a WACC of 7.0%. Our TP represents an implied FY22F yield of 7.1%.

Where we differ:

We are the only house covering the stock. That said, we have assumed uplifted earnings in the next three years, driven by the recent completion of NTP+ and other AEIs.

Key Risks to Our View:

Slower-than-expected organic growth from NTP and prolonged vacancies within the portfolio.

At A Glance

Issued Capital (m shrs)	1,070
Mkt. Cap (S\$m/US\$m)	476 / 342
Major Shareholders (%)	
e-Shang Infinity Cayman Ltd	19.8
Quarz Capital Asia Pte Ltd	11.9
UBS AG	4.9
Free Float (%)	54.0
3m Avg. Daily Val (US\$m)	0.23
GIC Industry : Real Estate / Equity Real Estate Investment (REITs)	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

WHAT'S NEW

A prelude to Singapore's resilient industrial sector

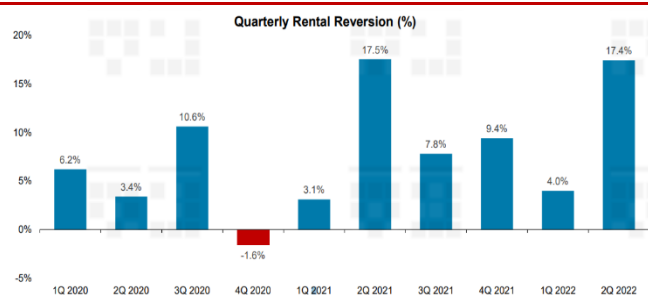
(+) NPI increased 5.2% y-o-y

- Revenues increased 14.7% y-o-y to S\$44.9m
 - Mainly due to increased contributions from hi-tech industrial (NTP, 8 Commonwealth Lane, 23 Serangoon North Ave 5) and warehouses (51 Penjuru Road)
- NPI increased 5.2% y-o-y to S\$27.0m
 - NPI margins were slightly lower due to higher utility costs and higher operating costs
 - Hoping to increase service charges to match inflation in operating costs

(+) 1H22 DPU of 1.59 Scts; in line with expectations

- 1H22 DPU of 1.59 Scts, forming c.47% of our FY22 estimates
- We expect 2H22 earnings to be marginally higher due to an increased contribution from NTP and higher portfolio occupancy rates
- Strong positive rental reversions of 17.4% in 2Q22, mainly driven by higher rents at NTP

Continued strong positive rental reversions



Source: SSREIT

(+) 10-year master lease at 30/32 Tuas Ave 8

- A 10-year master lease has been signed at 30/32 Tuas Ave 8
- Property has been fully leased to a tenant from the healthcare sector
- Rental escalations in place throughout the 10-year lease

(+) Portfolio occupancy of 88.2%

- Portfolio occupancy improved c.3ppt q-o-q to 88.2%
 - Highest occupancy rate in over 4.5 years

- Excluding 1 Tuas Ave 4 (undergoing AEI), portfolio occupancy would have been 91.3%

(+) Commenced AEI plans for 1 Tuas Ave 4

- Still in the early stages of planning and obtaining the relevant approvals for AEI
- Plans to convert property to a high spec logistics facility
 - GFA of 165,000sqft
 - Has the option to convert property to a cold storage warehouse if required
 - Targeted completion in 2H23
- Discussions ongoing with potential tenants from the logistics sector
 - Given that it is still in the early stages of planning, SSREIT has the flexibility to tailor the AEI to the tenants' needs

(+) S\$5.5m revaluation gains

- As compared to 31 Dec 2021, a S\$5.5m increase was reported in the portfolio valuation, to S\$871.7m
 - Cap rates remained relatively stable; higher valuations due to organic rental growth
 - Higher valuations were mainly contributed by NTP and 30/32 Tuas Ave 8 (10-year master lease)
- Portfolio valuations are expected to increase further once the AEI of 1 Tuas Ave 4 commences and it has committed occupancies

(+/-) More than 75% of loans hedged to fixed rates, but financing costs inched up

- 75.3% of loans are currently hedged to fixed rates, ensuring stability in financing costs amid rising interest rates
- No loans will be due in the next two years
 - Next loan maturity is in FY24
- Gearing improved to 33.4%, as borrowings were gradually paid down with cash from operations and proceeds from DRP
- 100% of portfolio is currently unencumbered
- All-in financing costs inched up to 3.35% in 2Q22
 - Partly due to higher SORA that impacted floating loans, as well as higher costs for the fixing of loans
- Every 20bps increase in interest rates will lead to a c.0.5% reduction in DPU

Our thoughts

Being the first industrial S-REIT to report its 1H22 earnings, we were **pleasantly surprised** with SSREIT's performance. Despite concerns of higher utility costs, inflation of operating costs, and higher financing costs, SSREIT managed to report **healthy organic growth in its earnings**. Furthermore, its **positive rental reversion of 17.4%** in the quarter is testament to the manager's proactive management of its assets and its past improvement/repositioning efforts bearing fruit.

The **marginal increase in portfolio valuations** was also a result of organic growth in earnings within its portfolio and we could potentially see further positive rental reversions at its properties. SSREIT's **NAV also consequently inched up to S\$0.53** and is starting to look like a bargain, given that it is currently trading at a c.18% discount to NAV.

The AEI plans announced for 1 Tuas Ave 4 will definitely be **another organic growth driver**, and we would like to have more details on its costs and expected ROI before potentially revisiting our estimates. Any precommitments signed prior to the AEI completion (slated for 2H23) would also be a significant catalyst to our projections.

As such, we will be maintaining our **HOLD** recommendation with an unchanged TP of **S\$0.48**. This implies a potential total return of more than 18% from the current share price.

Company Background

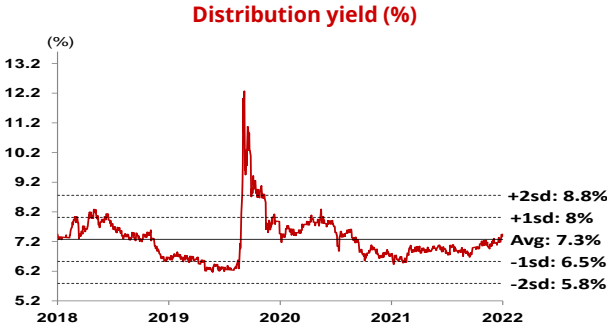
Sabana REIT is a real estate investment trust that primarily invests in industrial real estate in Asia while adhering to Shari'ah investment principles. Based in Singapore, Sabana REIT was listed on the Singapore Exchange on 26 November 2010 and holds 18 properties, including the New Tech Park at 151 Lorong Chuan.

Interim Income Statement (S\$m)

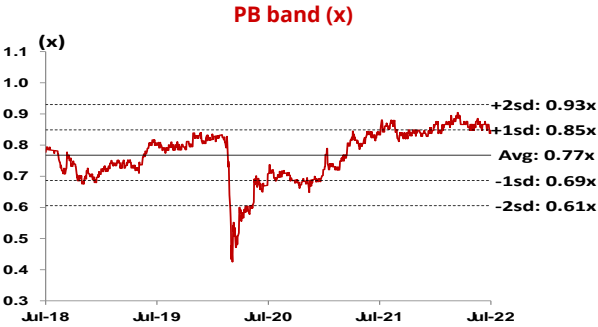
FY Dec	2H2020	1H2021	2H2021	% chg yoy	% chg hoh
Gross revenue	37.4	39.1	42.8	14.4	9.5
Property expenses	(13.7)	(13.4)	(16.6)	21.3	23.7
Net Property Income	23.8	25.7	26.3	10.4	2.2
Other Operating expenses	(5.7)	0.41	0.0	nm	nm
Other Non Opg (Exp)/Inc	0.85	1.11	1.02	19.7	(7.7)
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	(6.5)	(7.0)	(8.6)	(32.3)	(22.4)
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
Net Income	12.8	17.5	15.3	19.9	(12.2)
Tax	0.0	0.0	0.0	-	-
Minority Interest	0.0	0.0	0.0	-	-
Net Income after Tax	12.8	17.5	15.3	19.9	(12.2)
Total Return	5.57	34.5	14.3	156.7	(58.6)
Non-tax deductible Items	5.24	(1.8)	(3.6)	nm	97.7
Net Inc available for Dist.	29.2	39.9	27.5	(5.8)	(31.0)
Ratio (%)					
Net Prop Inc Margin	63.5	65.7	61.3		
Dist. Payout Ratio	100.0	100.0	100.0		

Source of all data: Company, DBS Bank

Historical Dividend yield and PB band



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



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

Income Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Gross revenue	76.3	71.7	81.9	84.9	88.1
Property expenses	(24.7)	(27.1)	(30.0)	(29.3)	(31.4)
Net Property Income	51.6	44.6	52.0	55.6	56.7
Other Operating expenses	(5.9)	(8.2)	(5.7)	(5.8)	(5.9)
Other Non Opg (Exp)/Inc	(0.5)	(3.1)	2.13	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(15.9)	(13.6)	(15.6)	(13.9)	(14.2)
Exceptional Gain/(Loss)	(0.8)	0.0	0.0	0.0	0.0
Net Income	28.5	19.7	32.8	35.9	36.7
Tax	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Income After Tax	28.5	19.7	32.8	35.9	36.7
Total Return	20.7	(42.2)	48.8	35.9	36.7
Non-tax deductible Items	8.85	71.3	(16.3)	0.48	0.43
Net Inc available for Dist.	30.7	29.1	32.5	36.3	37.1
Growth & Ratio					
Revenue Gth (%)	(5.7)	(6.1)	14.2	3.7	3.7
N Property Inc Gth (%)	(2.2)	(13.5)	16.4	7.1	1.9
Net Inc Gth (%)	(13.5)	(30.9)	66.4	9.3	2.2
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Prop Inc Margins (%)	67.6	62.3	63.4	65.5	64.4
Net Income Margins (%)	37.4	27.5	40.1	42.2	41.6
Dist to revenue (%)	40.3	40.6	39.7	42.8	42.1
Managers & Trustee's fees	7.7	11.4	7.0	6.9	6.6
ROAE (%)	4.8	3.5	6.0	6.5	6.6
ROA (%)	2.9	2.1	3.5	3.7	3.8
ROCE (%)	4.7	3.9	5.0	5.2	5.3
Int. Cover (x)	2.9	2.7	3.0	3.6	3.6

Organic earnings growth underpinned by NTP.

Source: Company, DBS Bank

Interim Income Statement (\$\$m)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Gross revenue	39.6	34.3	37.4	39.1	42.8
Property expenses	(12.7)	(13.4)	(13.7)	(13.4)	(16.6)
Net Property Income	26.9	20.9	23.8	25.7	26.3
Other Operating	(2.8)	(4.3)	(5.7)	0.41	0.0
Other Non Opg (Exp)/Inc	(0.2)	(4.0)	0.85	1.11	1.02
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(7.7)	(7.2)	(6.5)	(7.0)	(8.6)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Net Income	16.2	6.93	12.8	17.5	15.3
Tax	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Income after Tax	16.2	5.69	12.8	17.5	15.3
Total Return	18.2	(47.8)	5.57	34.5	14.3
Non-tax deductible Items	(1.9)	4.15	5.24	(1.8)	(3.6)
Net Inc available for Dist.	16.8	19.3	29.2	39.9	27.5
Growth & Ratio					
Revenue Gth (%)	8	(13)	9	4	10
N Property Inc Gth (%)	9	(23)	14	8	2
Net Inc Gth (%)	39	(57)	85	37	(12)
Net Prop Inc Margin (%)	68.0	60.9	63.5	65.7	61.3
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0

NPI margins eroded by higher utility costs and operating costs.

Balance Sheet (\$\$m)

FY Dec	2019A	2020A	2021A	2022E	2023E
Investment Properties	949	905	943	946	949
Other LT Assets	0.0	0.0	0.19	0.19	0.19
Cash & ST Invt	4.10	9.52	25.9	18.8	21.3
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	3.42	2.84	2.69	2.31	2.40
Other Current Assets	14.9	13.8	0.0	0.0	0.0
Total Assets	972	931	972	967	973
ST Debt	56.5	158	0.0	0.0	0.0
Creditor	15.0	17.4	18.0	14.9	16.0
Other Current Liab	6.52	6.33	5.92	0.0	0.0
LT Debt	219	126	312	318	324
Other LT Liabilities	79.9	83.2	80.2	79.3	78.2
Unit holders' funds	595	540	556	555	555
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	972	931	972	967	973
Non-Cash Wkg. Capital	(3.2)	(7.1)	(21.2)	(12.6)	(13.6)
Net Cash/(Debt)	(271)	(274)	(286)	(299)	(302)
Ratio					
Current Ratio (x)	0.3	0.1	1.2	1.4	1.5
Quick Ratio (x)	0.1	0.1	1.2	1.4	1.5
Aggregate Leverage (%)	31.4	33.0	33.6	34.1	34.6

Portfolio valuations expected to continue inching up, driven by organic growth in earnings and AEs.

Source: Company, DBS Bank

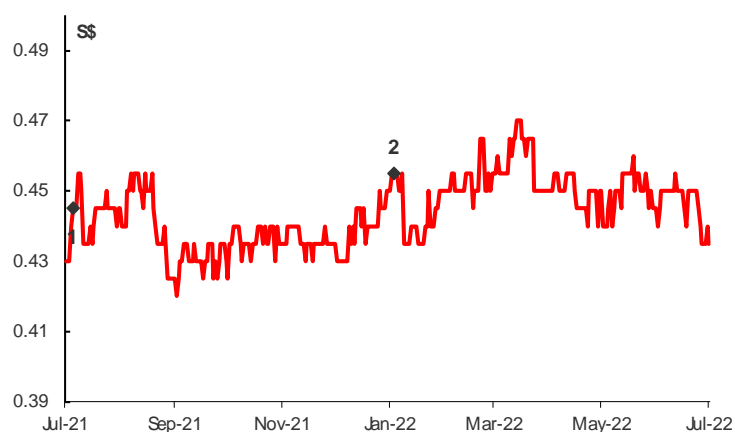
Sabana REIT

Cash Flow Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Income	28.5	19.7	32.8	35.9	36.7
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc/(Loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(6.4)	3.62	2.57	(8.6)	0.97
Other Operating CF	17.2	16.8	13.5	0.48	0.43
Net Operating CF	39.4	40.1	48.9	27.8	38.1
Net Invnt in Properties	93.1	(15.0)	(9.5)	(3.1)	(3.1)
Other Invnts (net)	0.0	0.0	0.0	0.0	0.0
Invnts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc. & JVs	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(0.6)	0.01	0.01	(1.0)	(1.0)
Net Investing CF	92.6	(15.0)	(9.5)	(4.0)	(4.1)
Distribution Paid	(30.1)	(13.1)	(32.6)	(36.3)	(37.1)
Chg in Gross Debt	(86.5)	8.35	28.6	6.07	6.07
New units issued	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(48.6)	(15.0)	(19.0)	0.0	0.0
Net Financing CF	(165)	(19.7)	(23.0)	(30.3)	(31.0)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(33.2)	5.42	16.3	(6.5)	2.93
Operating CFPS (S cts)	4.34	3.47	4.36	3.40	3.47
Free CFPS (S cts)	12.6	2.39	3.70	2.31	3.27

Source: Company, DBS Bank

Target Price & Ratings History



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

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	23 Jul 21	0.45	0.49	BUY
2:	21 Jan 22	0.46	0.48	HOLD

Source: DBS Bank

Analyst: Dale LAI

Derek TAN

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

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

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

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

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

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

*Share price appreciation + dividends

Completed Date: 21 Jul 2022 07:00:42 (SGT)

Dissemination Date: 21 Jul 2022 08:41:50 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

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

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 30 Jun 2022.

Compensation for investment banking services:

2. 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.


Disclosure of previous investment recommendation produced:

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

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, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact Chanpen Sirithanarattanukul at research@th.dbs.com</p>

<p>United Kingdom</p>	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
<p>Dubai International Financial Centre</p>	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

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

DBS Regional Research Offices

HONG KONG

DBS (Hong Kong) Ltd

Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand