

Frasers Property Thailand Industrial Freehold and Leasehold REIT

Bloomberg: FTREIT TB | Reuters: FTREITu.BK

DBS Group Research . Equity

Refer to important disclosures at the end of this report

9 Nov 2022

BUY

Last Traded Price (8 Nov 2022): Bt10.10 (SET : 1,632.61)

Price Target 12-mth: Bt11.90 (18% upside)

Analyst

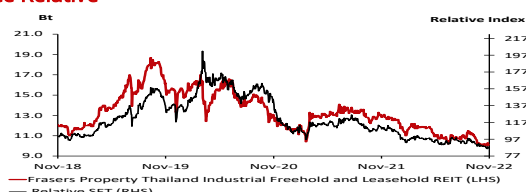
Chanpen SIRITHANARATTANAKUL +662 857 7824

chanpens@th.dbs.com

What's New

- Despite higher revenue, 4QFY22 net investment income was flat due to higher land & building tax
- FY2022 net investment income grew 6% y-o-y on higher NLA and improved occupancy
- Offering decent yield of 7% and IRR of 7.9%
- Maintain BUY with an unchanged TP of Bt11.90

Price Relative



Forecasts and Valuation

FY Sep (Btm)	2020A	2021A	2022A	2023F
Gross Revenue	2,946	3,351	3,599	3,717
Net Property Inc	2,735	3,114	3,293	3,404
Total Return	1,194	2,152	2,407	2,561
Distribution Inc	2,121	2,385	2,531	2,561
EPU (Bt)	0.42	0.70	0.79	0.84
EPU Gth (%)	(40)	66	12	6
DPU (Bt)	0.67	0.67	0.71	0.71
DPU Gth (%)	0	1	5	1
NAV per shr (Bt)	10.6	10.7	10.8	11.0
PE (X)	23.9	14.4	12.9	12.1
Distribution Yield (%)	6.6	6.7	7.0	7.0
P/NAV (x)	1.0	0.9	0.9	0.9
Aggregate Leverage (%)	26.8	25.1	25.8	25.4
ROAE (%)	4.2	6.8	7.3	7.7

Distn. Inc Chng (%):	0	0	0
Consensus DPU (Bt):	N/A	N/A	N/A
Other Broker Recs:	B: 2	S: 0	H: 1

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

Offering decent yield of 7% and IRR of 7.9%

Investment Thesis

Thailand's largest industrial REIT that keeps growing. As Thailand's largest industrial real estate investment trust (REIT) with a total net leasable area (NLA) of 2.14m sqm in factories and warehouses, Frasers Property Thailand Industrial Freehold and Leasehold REIT (FTREIT) should be a prime beneficiary of the potential relocation of factories from China to countries in Southeast Asia, including Thailand. It also benefits from the robust e-commerce trend in Thailand.

Majority of assets are freehold and in strategic locations in Thailand. Approximately 72% of FTREIT's assets are freehold and 28% are leasehold (with an average remaining leasehold life of 21 years). These assets are in strategic locations, e.g., the Eastern Economic Corridor (EEC) area (59%), Northern Bangkok (23%), and Eastern Bangkok (18%).

Clear expansion plan. FTREIT has a clear plan to grow its asset size via acquisitions from Frasers Property Thailand (FPT) and third parties. It plans to maintain its debt/total assets at not more than 30%.

Valuation:

We value FTREIT at Bt11.90 based on the DCF method and a WACC of 6.7%. The stock now offers an IRR of 7.9%.

Where we differ:

FTREIT is not well covered by the investment community. We are one of the few brokers covering the stock.

Key Risks to Our View:

Political instability and slowdown of foreign direct investment (FDI) may lead to a stagnant or declining occupancy rate.

At A Glance

Issued Capital (m shrs)	3,063
Mkt. Cap (Btm/US\$m)	30,940 / 836
Major Shareholders (%)	
Frasers Property Tha	19.8
Thailand Social Secu	11.7
Bangkok Life Assuran	5.7
Free Float (%)	56.7
3m Avg. Daily Val (US\$m)	0.23
GIC Industry : Real Estate / Equity Real Estate Investment (REITs)	

WHAT'S NEW

Offering decent yield of 7% and IRR of 7.9%

4QFY22 (Jul-Sep 2022) net investment income was flat y-o-y at Bt620m. This was amidst:

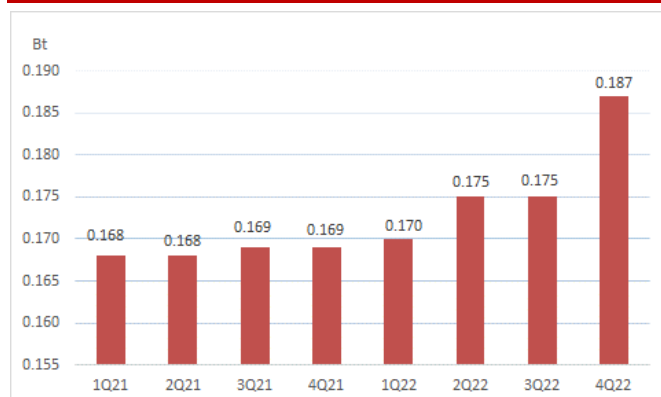
- (i) The 9% increase in rental & service income due to the 3% rise in net leasable area following the acquisition of additional assets, and the 0.2% increase in the occupancy rate to 85.5% in 4QFY22
- (ii) The 65% jump in property expenses due to the increase in land & building tax, as the government has removed the 90% discount on such tax from 2022 onwards.

For FY2022, net investment income rose 6% y-o-y. This was attributable to the 7% rise in rental & service income. The key reasons for the rise in rental & service income were the (i) 3.6% increase in NLA following the acquisition of additional assets, (ii) 1% increase in the average occupancy rate to 86.4% in FY2022, and (iii) 2.8% increase in the average rental rate.

FTREIT recorded Bt82m asset revaluation loss in 4QFY22 and Bt116m in FY2022. The amount was a non-cash item and, therefore, has no impact on distribution.

DPU of Bt0.187 for 4QFY22 announced. The stock would go ex-dividend (XD) on 18 November 2022 and the dividend payment will be made on 2 December 2022. Combined with the interim DPU paid in 9MFY22, total DPU for FY2022 was Bt0.707, up 4.9% from Bt0.674 paid in FY2021.

Quarterly distribution per unit

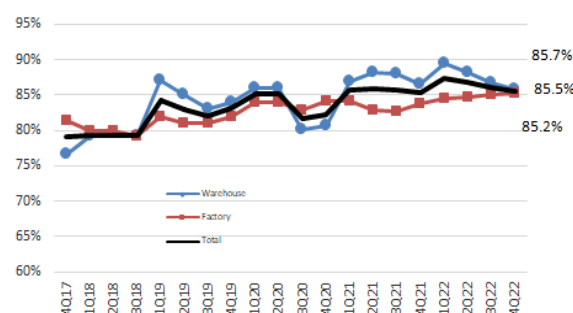


Source: Company, DBSVTH

Occupancy rate eased slightly in all locations. Total NLA is now 2.14m sqm, with a portfolio value of Bt46.3bn. The average occupancy rate eased q-o-q to 85.5% in 4QFY22, (vs. 86.0% in 3QFY22) but inched up slightly y-o-y from 85.3% in 4QFY21. The occupancy rate for warehouses (58% of total portfolio) was 85.7% in 4QFY22, while for factories (42% of total portfolio) it was 85.2%.

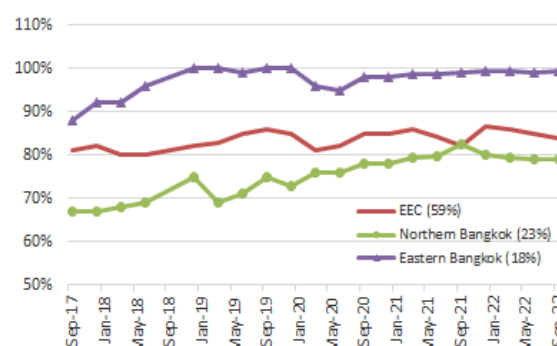
In terms of location, the occupancy rate dropped in the EEC area but inched up slightly q-o-q in other zones. It averaged 99.3% in the Eastern Bangkok area (18% of total portfolio), 84.0% in the EEC area (59% of total portfolio), and 79.3% in Northern Bangkok (23% of total portfolio).

Occupancy rate by product type



Source: Company, DBSVTH

Occupancy rate by area



Source: Company, DBSVTH

Rental retention rate rebounded to 87.6% in 3QFY22, vs. 78.4% in 3QFY22. For FY22, rental retention rate was 84.5%.

Outlook

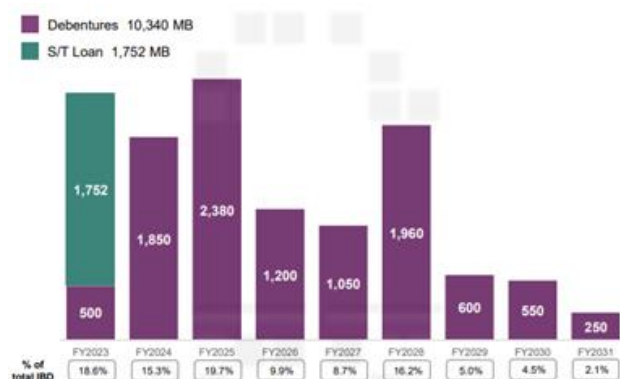
Lease expiry profile. Looking forward, 36.1% of total lease contracts are subject to renewal in FY2023, 25.6% in FY2024, 23.4% in FY2025, 6.1% in FY2026, and 8.8% from FY2027 onwards.

Still looking to acquire more assets in FY2023. FTREIT is looking to acquire additional assets from both FPT and third parties.

Impact from any potential rate hike. FTREIT had total borrowings of Bt12bn at end-4QFY22. This made up 25.8% of its total asset value. The borrowings mainly comprised debentures (86%) and short-term loans (14%).

Of the total debt, 86% carried fixed interest rates and 14% floating rates. The weighted average debt maturity is 3.4 years. Therefore, we see minimal impact from potential interest rate hikes.

Debt maturity profile



Source: Company, DBSVTH

Recommendation

Maintain BUY with a DCF-based TP of Bt11.90. FTREIT now offers a decent yield of 7.0% and an IRR of 7.9%. We maintain BUY with a DCF-based TP of Bt11.90, based on a WACC of 6.7%.

Company Background

FTREIT is Thailand's largest industrial REIT. It had 2.06m sqm of factories and warehouses in its portfolio as of end-Dec 2021, comprising 58% warehouses and 42% factories. The blended occupancy rate was at 87.1% as of 31 Dec 2021.

The company's assets have an average age of 11.7 years; 73% are freehold assets and 27% are leasehold (with a relatively long remaining leasehold life of 21.2 years).

These assets are well spread geographically in three strategic locations, with 59% in the EEC area (Chonburi, Rayong, and Chachoengsao), 17% in Eastern Bangkok (Samut Prakan and Prachinburi), and 24% in Northern Bangkok (Ayutthaya and Pathum Thani).

Quarterly / Interim Income Statement (Btm)

FY Sep	4Q2021	3Q2022	4Q2022	% chg yoy	% chg qoq
Gross revenue	836	898	908	8.6	1.1
Property expenses	(56.4)	(80.5)	(92.8)	64.5	15.4
Net Property Income	779	817	815	4.5	(0.3)
Other Operating expenses	(111)	(114)	(115)	3.4	1.1
Other Non Opg (Exp)/Inc	40.1	15.2	10.8	(73.2)	(29.3)
Associates & JV Inc	0.0	0.0	0.0	nm	nm
Net Interest (Exp)/Inc	(90.1)	(89.9)	(90.6)	(0.6)	(0.8)
Net Investment Income	618	628	620	0.3	(1.4)
Exceptional Gain/(Loss)	40.5	141	(81.6)	N/A	N/A
Increase in Net Assets	659	769	538	(18.3)	(30.0)
DPU (Bt)	0.169	0.175	0.187	10.7	6.9
Ratio (%)					
Net Prop Inc Margin	93.2	91.0	89.8		
Dist. Payout Ratio	N/A	N/A	N/A		

Source of all data: Company, DBSVTH

Historical PE and PB band



Source: Bloomberg Finance L.P., DBSVTH estimates



Source: Bloomberg Finance L.P., DBSVTH estimates

Income Statement (Btm)

FY Sep	2019A	2020A	2021A	2022A	2023F
Gross revenue	2,776	2,946	3,351	3,599	3,717
Property expenses	(394)	(211)	(237)	(307)	(313)
Net Property Income	2,382	2,735	3,114	3,293	3,404
Other Operating expenses	(403)	(423)	(439)	(458)	(457)
Other Non Opg (Exp)/Inc	15.2	90.2	61.3	43.0	40.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(255)	(303)	(366)	(358)	(426)
Exceptional Gain/(Loss)	108	(905)	(219)	(112)	0.0
Net Income	1,847	1,194	2,152	2,407	2,561
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	1,847	1,194	2,152	2,407	2,561
Total Return	1,847	1,194	2,152	2,407	2,561
Non-tax deductible Items	0.0	0.0	0.0	0.0	0.0
Net Inc available for Dist.	1,817	2,121	2,385	2,531	2,561
Growth & Ratio					
Revenue Gth (%)	43.4	6.1	13.7	7.4	3.3
N Property Inc Gth (%)	48.2	14.8	13.9	5.7	3.4
Net Inc Gth (%)	(38.7)	(35.4)	80.2	11.9	6.4
Dist. Payout Ratio (%)	95.7	90.0	87.1	85.0	85.0
Net Prop Inc Margins (%)	85.8	92.8	92.9	91.5	91.6
Net Income Margins (%)	66.5	40.5	64.2	66.9	68.9
Dist to revenue (%)	62.6	64.1	61.6	59.8	58.6
Managers & Trustee's fees	N/A	N/A	N/A	N/A	N/A
ROAE (%)	6.7	4.2	6.8	7.3	7.7
ROA (%)	5.0	2.9	4.8	5.2	5.4
ROCE (%)	5.5	5.9	6.2	6.3	6.5
Int. Cover (x)	7.8	7.6	7.3	7.9	6.9

XXXX

Source: Company, DBSVTH

Fraser's Property Thailand Industrial Freehold and Leasehold REIT

Quarterly Income Statement (Btm)

FY Sep	4Q2021	1Q2022	2Q2022	3Q2022	4Q2022
Gross revenue	836	894	900	898	908
Property expenses	(56.4)	(61.3)	(71.9)	(80.5)	(92.8)
Net Property Income	779	832	828	817	815
Other Operating	(111)	(116)	(114)	(114)	(115)
Other Non Opg (Exp)/Inc	40.1	10.9	6.15	15.2	10.8
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(90.1)	(92.1)	(85.7)	(89.9)	(90.6)
Exceptional Gain/(Loss)	40.5	(168)	(8.0)	141	(81.6)
Net Income	659	468	627	769	538
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	659	468	627	769	538

Growth & Ratio

Revenue Gth (%)	(3)	7	1	0
N Property Inc Gth (%)	(2)	7	0	(1)
Net Inc Gth (%)	92	(29)	34	23
Net Prop Inc Margin (%)	93.2	93.1	92.0	91.0
Dist. Payout Ratio (%)	N/A	N/A	N/A	N/A

Please remove table
not relevant

Balance Sheet (Btm)

FY Sep	2019A	2020A	2021A		
Investment Properties	37,049	41,144	44,758	319	
Other LT Assets	0.0	0.0	0.0	0.0	
Cash & ST Invt	1,142	1,480	1,100	331	
Inventory	0.0	0.0	0.0	0.0	
Debtors	0.0	0.0	0.0	0.0	
Other Current Assets	306	246	208	240	
Total Assets	38,497	42,870	46,066	46,891	47,250
ST Debt	0.0	0.0	0.0	0.0	0.0
Creditor	0.0	0.0	0.0	0.0	0.0
Other Current Liab	1,266	1,401	1,583	1,600	1,643
LT Debt	9,742	11,494	11,572	12,084	12,010
Other LT Liabilities	0.0	0.0	0.0	0.0	0.0
Unit holders' funds	27,489	29,975	32,911	33,207	33,597
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	38,497	42,870	46,066	46,891	47,250
Non-Cash Wkg. Capital	(960)	(1,155)	(1,375)	(1,360)	(1,337)
Net Cash/(Debt)	(8,600)	(10,014)	(10,472)	(11,753)	(11,386)
Ratio					
Current Ratio (x)	1.1	1.2	0.8	0.4	0.6
Quick Ratio (x)	0.9	1.1	0.7	0.2	0.4
Aggregate Leverage (%)	25.3	26.8	25.1	25.8	25.4
Z-Score (X)	2.3	2.3	NA	NA	NA

Source: Company, DBSVTH

Cash Flow Statement (Btm)

FY Sep	2019A	2020A	2021A	2022A	2023F
Pre-Tax Income	1,847	1,194	2,152	2,407	2,561
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.	130	195	221	(15.7)	(22.8)
Other Operating CF	(60.4)	906	(189)	116	0.0
Net Operating CF	1,917	2,295	2,184	2,508	2,538
Net Invst in Properties	(3,002)	(5,000)	(3,426)	(1,677)	0.0
Other Invts (net)	0.0	0.0	0.0	0.0	0.0
Invts 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	68.0	(89.4)	626	300	0.0
Net Investing CF	(2,934)	(5,089)	(2,800)	(1,377)	0.0
Distribution Paid	(1,720)	(1,849)	(2,021)	(2,111)	(2,171)
Chg in Gross Debt	2,809	1,752	77.6	512	(73.4)
New units issued	0.0	3,140	2,805	0.0	0.0
Other Financing CF	0.0	0.0	0.0	0.0	0.0
Net Financing CF	1,089	3,043	862	(1,599)	(2,244)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	71.6	249	246	(469)	293
Operating CFPS (Bt)	0.69	0.74	0.64	0.82	0.84
Free CFPS (Bt)	(0.4)	(1.0)	(0.4)	0.27	0.83

Source: Company, DBSVTH

Target Price & Ratings History



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

Source: DBSVTH

Analyst: Chanpen SIRITHANARATTANAKUL

THAI-CAC






n/a

Corporate Governance CG Rating

n/a

THAI-CAC is Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 2018) are categorised into:

Corporate Governance CG Rating is based on Thai Institute of Directors (IOD)'s annual assessment of corporate governance practices of listed companies. The assessment covers 235 criteria in five categories including board responsibilities (35% weighting), disclosure and transparency (20%), role of stakeholders (20%), equitable treatment of shareholders (10%) and rights of shareholders (15%). The IOD then assigns numbers of logos to each company based on their scoring as follows:

Score	Description	
Declared	Companies that have declared their intention to join CAC	
Certified	Companies certified by CAC.	
Score	Range Number of Logo	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
<50	No logo given	N/A

DBSVTH 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: 9 Nov 2022 06:28:13 (THA)

Dissemination Date: 9 Nov 2022 06:30:24 (THA)

Sources for all charts and tables are DBSVTH unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Vickers Securities (Thailand) Co Ltd ("DBSVTH"). 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 Vickers Securities (Thailand) Co Ltd ("DBSVTH").

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 Sep 2022.
2. DBSVTH and its affiliates hold a proprietary position in MTC as of 4 Nov 2022.

Compensation for investment banking services:

3. 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:

4. 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 an entity(ies) which is not licensed by 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). 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 Sirithanarattanakul at research@th.dbs.com</p>

United Kingdom	<p>This report is produced by DBS Vickers Securities (Thailand) Co Ltd which is regulated by the Securities and Exchange Commission, Thailand.</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</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>
Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

United States	This report was prepared by DBS Vickers Securities (Thailand) Co Ltd ("DBSVTH"). 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