

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

### KEY HIGHLIGHTS

#### Sector

#### Property

A closer look at China's GBA property market.

Page 2

#### Update

#### Hong Kong Exchanges and Clearing

(388 HK/BUY/HK\$285.40/Target: HK\$370.00)

October headline ADT slumped to lowest level in four years.

Page 4

#### HSI AND HS TECH INDEX OUTLOOK

Page 7

### CORPORATE AND MACRO CALENDAR

Date	Country/Region	Economic Indicator
20 Nov	China	Nov Loan Prime Rate
27 Nov	China	Oct Industrial Profits
30 Nov	China	Nov NBS PMI
01 Dec	China	Caixin Nov Manufacturing PMI
07 Dec	China	Nov Trade
09 Dec	China	Nov Inflation
09-15 Dec	China	Nov Money Supply And Credit
15 Dec	China	Nov Economic Activities
20 Dec	China	Dec Loan Prime Rate
27 Dec	China	Nov Industrial Profits
30 Dec	China	Dec NBS PMI

### KEY INDICES

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	34947.3	0.0	1.9	5.5	5.4
S&P 500	4514.0	0.1	2.2	6.9	17.6
FTSE 100	7504.3	1.3	2.0	1.4	0.7
AS30	7261.0	(0.1)	1.2	2.4	0.5
CSI 300	3568.1	(0.1)	(0.5)	1.6	(7.8)
FSSTI	3124.7	(0.3)	(0.3)	1.6	(3.9)
HSCEI	5974.5	(2.3)	1.2	1.8	(10.9)
HSI	17454.2	(2.1)	1.5	1.6	(11.8)
JCI	6977.7	0.3	2.5	1.9	1.9
KLCI	1460.7	(0.3)	0.6	1.4	(2.3)
KOSPI	2469.9	(0.7)	2.5	4.0	10.4
Nikkei 225	33585.2	0.5	3.1	7.4	28.7
SET	1415.8	0.0	1.9	1.2	(15.2)
TWSE	17209.0	0.2	3.2	4.7	21.7
BDI	1820	3.5	10.8	(11.0)	20.1
CPO (RM/mt)	3846	1.1	5.2	3.7	(5.0)
Brent Crude (US\$/bbl)	81	4.1	(1.0)	(10.3)	(6.2)

Source: Bloomberg

### TOP TRADING TURNOVER

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
XIAOMI CORP-W	15.94	1.5	2,892.8
KUAIHOU-W	58.60	(2.3)	1,266.2
SMIC	21.60	(1.1)	1,262.9
JD-SW	105.40	(2.4)	1,099.2
WUXI BIOLOGICS C	47.25	(1.0)	1,042.0

### TOP GAINERS

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
LI AUTO INC-A	157.10	3.2	1,008.0
BYD ELECTRONIC	38.50	2.1	229.4
NETEASE INC	179.40	2.1	865.1
SINO BIOPHARM	3.83	1.9	394.7
HANSOH PHARMACEU	14.68	1.7	87.6

### TOP LOSERS

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
BILIBILI INC-Z	107.10	(6.8)	294.5
ALIBABA HEALTH	4.59	(6.3)	81.1
ZHONGAN ONLINE-H	20.55	(5.3)	25.8
CHINA RES CEMENT	1.85	(5.1)	24.3
BIDU-SW	103.50	(4.9)	747.6

\*ADT: Average daily turnover

### KEY ASSUMPTIONS

GDP (% yoy)	2022	2023F	2024F
US	2.1	2.0	1.0
Euro Zone	3.5	0.5	0.8
Japan	1.0	1.5	1.0
Singapore	3.6	0.7	3.0
Malaysia	8.7	4.0	4.6
Thailand	2.6	3.1	3.5
Indonesia	5.4	5.1	5.2
Hong Kong	-3.5	4.6	3.0
China	3.0	5.0	4.6
CPO (RM/mt)	5,088	4,000	4,200
Brent (Average) (US\$/bbl)	99.0	81.0	84.0

Source: Bloomberg, UOB ETR, UOB Kay Hian

SECTOR UPDATE

Property – China

A Closer Look At China's GBA Property Market

We hosted an expert talk on China's GBA property market on 16 Nov 23. Key takeaways involved the recent policy impacts, the continuing decline in prices of secondary home, recent situation of defaulted developers, impact of urban village redevelopment, and future property investment advice in the GBA. Maintain MARKET WEIGHT.

WHAT'S NEW

- We hosted an expert talk on China's Greater Bay Area (GBA) property market on 16 Nov 23.

ESSENTIALS

- Impact of recent easing policies in GBA.** There was a short-term boost from the policies which gradually diminished. In the first week after the new policy of "recognising a house but not a loan", the transaction volume in Guangzhou rebounded significantly by 51% mom. However, the transaction volume fell back to the pre-policy level in the second week. Relaxing purchase restrictions seems to be the most effective policy. The Panyu district of Guangzhou relaxed purchase restrictions on 20 Sep 23, resulting in a significant increase in transactions. The district's transactions ranked first in the city for two consecutive months, increasing 122% mom in Sep 23 and 14% mom in Oct 23. Even for the same policy, the impact on the market differs among cities. Dongguan and Foshan lifted the home purchase restrictions in Dec 22, causing transaction volume to decrease 10.2% yoy in Dongguan and 17.4% yoy in Foshan.
- Secondary home prices may stabilise in 2024 in core cities in GBA.** The overall secondary home prices in Guangzhou have fallen by 15-20% since 2H21. The price decline ytd is about 10%, dropping by 10-20% in Guangzhou's suburbs and 5-10% in the central areas. The current secondary home listings have hit a historical high (Guangzhou: 140,000 units, Shenzhen: 60,000 units). The secondary home price is expected to fall further by less than 10% if the market bottoms out and stabilises, backed by more policy easing. For those Tier 3 and 4 cities like Zhaoqing, Huizhou, and Jiangmen, the future secondary home price will still show a downward trend. For new home price, the price floor limit of new homes may not be cancelled (the maximum price drop is 15% of the filed price), and it can only be adjusted downwards gradually on a quarterly basis, so the prices of new homes will be more resilient than those of secondary homes.

MARKET WEIGHT

(Maintained)

SECTOR PICKS

Company	Ticker	Rec	Share Price (HK\$)	Target Price (HK\$)
CR LAND	1109 HK	BUY	29.00	47.48
COLI	688 HK	BUY	14.64	25.86
Longfor	960 HK	BUY	12.78	17.68

Source: UOB Kay Hian

NEW HOME TRANSACTION VOLUME IN TIER-2 CITIES

	10M23	10M22	yoy
Dongguan	254.9	283.8	-10.2%
Foshan	554.5	671.3	-17.4%

Source: UOB Kay Hian

ANALYST(S)

**Jieqi Liu**  
+852 2826 1392  
jieqi.liu@uobkayhian.com.hk

**Damon Shen**  
+86 21 54047225 ext.820  
damonshen@uobkayhian.com

PEER COMPARISON

Company	Ticker	Rec	Price @ 17 Nov 23 (HK\$)	Target Price (HK\$)	Upside/ (Downside) to TP (%)	Market Cap (HK\$m)	PE 2023F	PE 2024F	P/B 2023F	P/B 2024F	Yield 2023F (%)	Yield 2024F (%)
China Resources Land	1109 HK	BUY	29.00	47.48	63.7	214,997.8	7.3	6.4	0.7	0.6	5.1	5.8
China Overseas Land	688 HK	BUY	14.64	25.86	76.6	164,173.3	5.7	4.8	0.4	0.4	5.3	6.2
Longfor Properties	960 HK	BUY	12.78	17.68	38.3	84,638.1	3.8	4.1	0.5	0.4	7.9	7.3

Source: Bloomberg, UOB Kay Hian.

- **Recent situation of defaulted developers.** Sales deteriorated sharply as home buyers lost confidence in defaulted developers' ability to deliver the homes. Even for developers who defaulted, the sales performance of their projects also depends on the locations. Projects of defaulted developers in the core region of Guangzhou still achieved decent sales. The defaulted developers have adopted more aggressive price-cutting strategies, pricing their projects 10-20% lower than nearby projects.
- **Impact of urban village redevelopment on property market and developers.** On 24 Oct 23, Guangzhou launched the "Housing Voucher" policy for the first time, which will help to unleash demand in the property market, and may destock the new home inventory. The Guangzhou government has mandated that only local developers can participate in the redevelopment, and local SOE developers like Yuexiu might be the biggest beneficiaries in the urban village redevelopment.
- **New homes in core areas of core cities still have certain investment value in the future.** Prices in different locations have varied sharply over the past two years, and those in the core areas will still have room for appreciation, with the prices more resilient in a bearish environment. For example, the northern areas of the Tianhe and Haizhu districts in Guangzhou are worth purchasing, especially the areas near the Pearl River. Some suburbs like Panyu and Huangpu districts are also good places for investment.

#### ACTIONS

- **Maintain MARKET WEIGHT on China's property sector.** The redevelopment of urban villages may unleash new demand in 2024. We expect the market will bottom out and stabilise, backed by more policy easing next year. Housing in core regions will retain its investment value. Thus, we maintain MARKET WEIGHT on the sector. Our top pick for SOEs and POEs are CR Land (1109 HK) and Longfor (960 HK) respectively for their strong presence in Tier 1 and Tier 2 cities.

COMPANY UPDATE

**Hong Kong Exchanges and Clearing (388 HK)**

October Headline ADT Slumped To Lowest Level In Four Years

October headline ADT plunged 12.7% mom to HK\$78.8b mainly due to weak investor sentiment as concerns over the economic recovery momentum persisted. Although November ADT rebounded 14.4% after the levy cut announcement, it still remains below the HK\$100b level. Nonetheless, we still expect the potential year-end rally and earlier rate cut bets to contribute to improved ADT and stock price performance. Maintain BUY. Target price: HK\$370.00.

OCT 23 MARKET STATISTICS

	Oct 23	Sep 23	Oct 22	mom%	yoy%
Headline ADT (HK\$b)	78.8	90.3	104.6	(12.7)	(24.7)
Northbound Trading ADT (Rmb)	110.5	100.4	101.6	10.1	8.8
Southbound Trading ADT (HK\$b)	25.2	29.1	26.9	(13.4)	(6.3)
Derivatives contracts ADV ('000 contracts)	1,300.8	1,239.5	1,490.7	4.9	(12.7)
LME ADV ('000 lots)	560.9	578.4	491.8	(3.0)	14.1

Source: Hong Kong Exchanges and Clearing, UOB Kay Hian

WHAT'S NEW

- **Lowest turnover since Dec 19.** Last week, Hong Kong Exchanges and Clearing (HKEX) released its monthly market highlights for Oct 23. The Hang Seng Index (HSI) and total market capitalisation dropped 3.9% and 4.3% respectively in October, mainly due to the disappointing macro data and lacklustre stimulus measures in China. As the result, the headline average daily turnover (ADT) plummeted 12.7% mom to HK\$78.8b in Oct 23, marking the lowest single-month volume since Dec 19.
- **Other market performance.** For stock connect trading, the northbound ADT increased by 10.1% mom to Rmb110.5b but southbound volume dropped 13.4% to HK\$25.2b. Additionally, the ADT for ETF products and average daily volume (ADV) of derivatives contracts rose 6.6% and 4.9% mom to HK\$11.8b and 1.3m contracts respectively.
- **Five IPOs in Oct 23, longer wait for recovery.** Five companies joined the exchange in Oct 23, including J&T Express, the largest logistics giant in ASEAN, which raised HK\$3.5b to fund in its IPO. This brings the ytd number of IPOs and funds raised to 52 and HK\$31.7b, down 16.1% and 62.8% yoy. The Hong Kong IPO market was only ranked eighth among global bourses, far behind its Shanghai and Shenzhen peers. Although management mentioned that the IPO pipeline remains strong with 120 companies in the queue, the companies' appetite for public listings remain weak due to valuation concerns, as reflected in Alibaba's decision to delay the spin-off of its logistics arm, Cainiao.

KEY FINANCIALS

Year to 31 Dec (HK\$m)	2021	2022	2023F	2024F	2025F
Net turnover	20,800	18,280	20,628	22,193	23,983
EBITDA	16,271	13,185	15,309	16,624	18,067
Operating profit	14,916	11,726	13,822	15,062	16,427
Net profit (rep./act.)	12,497	10,078	12,220	13,274	14,406
Net profit (adj.)	12,497	10,078	12,220	13,274	14,406
EPS (HK\$ cent)	988.7	799.1	963.9	1,050.1	1,134.3
PE (x)	29.5	36.5	30.3	27.8	25.7
P/B (x)	7.4	7.4	7.3	7.1	6.9
EV/EBITDA (x)	22.0	27.2	23.4	21.6	19.8
Dividend yield (%)	3.0	2.4	3.0	3.2	3.5
Net margin (%)	60.1	55.1	59.2	59.8	60.1
Net debt/(cash) to equity (%)	(18.6)	(21.5)	(23.2)	(24.9)	(26.7)
ROE (%)	25.4	20.3	24.3	25.8	27.3
Consensus net profit	-	-	11,981	12,983	13,888
UOBKH/Consensus (x)	-	-	1.02	1.02	1.04

Source: Hong Kong Exchanges and Clearing, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	HK\$285.40
Target Price	HK\$370.00
Upside	+29.6%

COMPANY DESCRIPTION

Hong Kong Exchanges and Clearing Limited (HKEX) owns and operates the stock exchange, futures exchange and their related clearing houses in Hong Kong.

STOCK DATA

GICS sector	Financials
Bloomberg ticker:	388 HK
Shares issued (m):	1,267.8
Market cap (HK\$m):	361,840.6
Market cap (US\$m):	46,404.1
3-mth avg daily t'over (US\$m):	169.8

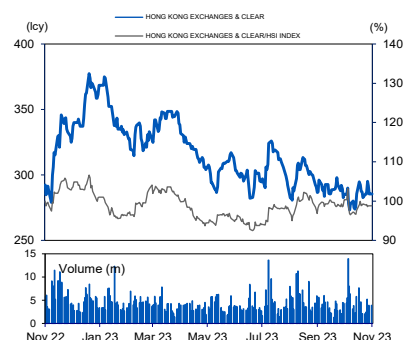
Price Performance (%)

52-week high/low	HK\$377.40/HK\$209.00			
1mth	3mth	6mth	1yr	YTD
(2.3)	(4.0)	(6.7)	(5.9)	(15.4)

Major Shareholders

The Government of Hong Kong SAR	5.8
FY23 NAV/Share (HK\$)	40.11
FY23 Net Cash/Share (HK\$)	9.30

PRICE CHART



Source: Bloomberg

ANALYST(S)

Greater China Research Team  
+852 2236 6799  
researchhk@uobkayhian.com.hk

### STOCK IMPACT

- Mtd Nov ADT rebounded by 14.4% after levy cut announcement, but it still remains below the HK\$100b level.** We saw the headline ADT picking up to HK\$90.1b in November after Chief Executive John Lee proposed to cut the stamp duty rate to 0.1% in his recent policy address. However, this figure is still significantly lower than the average ADT level in 2023, reflecting the persistent lack of investor confidence in China's macroeconomic outlook. With the new stamp duty rate taking effect on 17 Nov 23 following the completion of the legislative process, we expect a further recovery in Hong Kong trading activities, fueled by easing Sino-US tensions and a decline in the US 10-year Treasury yield.
- Few reforms in progress to enhance trading rules and rebuild investor confidence.** Among these developments, the HKEX has initiated a public consultation on the arrangements for operating the stock market during typhoons. To recall, the city exchange has been shut down four times in 2023 due to severe weather conditions. Additionally, the HKEX also proposed a new treasury share regime and suggested to abolish the requirement to cancel repurchased shares. We believe that the new stock repurchase mechanism provides listed companies with greater flexibility and will encourage more share buyback activities in the future. Therefore, we expect these efforts could enhance the competitiveness of the Hong Kong stock market and its attractiveness to listed companies and investors.

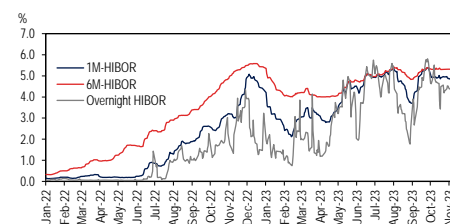
### EARNINGS REVISION/RISK

- We slightly trimmed our headline ADT assumptions to HK\$103.7b** after factoring in Oct 23 and mtd trading volume.
- Downside risks:** a) Sluggish headline ADT and IPO market, and b) one-off legal provision from LME nickel lawsuit.

### VALUATION/RECOMMENDATION

- Maintain BUY with target price of HK\$370.00.** Our target price is derived from the Gordon Growth Model with the assumption of 6.6% cost of equity and 4.0% terminal growth, implying to 2024F PE of 36.6x, on par with its historical mean. Despite the cautious market sentiment due to rising headwind in China economic outlook, we expect positive price action of HKEX in near term, underpinned by the expectations on potential year-end rally and earlier rate cut in US to enhance the market sentiments.

### HIBOR TREND



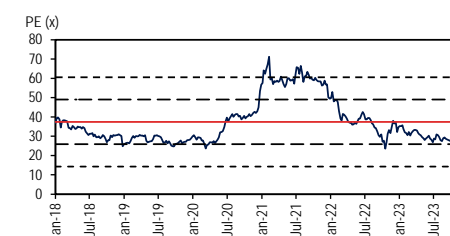
Source: Bloomberg, UOB Kay Hian

### HKEX TRADING REVENUE KEY ASSUMPTIONS

(%)	2023F	2024F	2025F
Cash ADT (HK\$b)	103.7	112.0	131.1
Futures ADV ('000)	744.4	778.6	834.4
Stock Option ADV ('000)	627.2	659.3	704.8
LME ADV ('000)	550.7	575.2	599.6

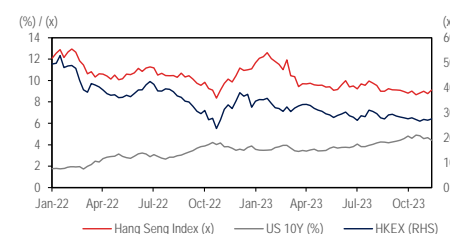
Source: UOB Kay Hian

### HKEX FORWARD PE BAND



Source: Bloomberg, UOB Kay Hian

### HKEX, HANG SENG INDEX AND US10Y TREND



Source: Bloomberg, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (HK\$m)	2022	2023F	2024F	2025F
Net turnover	18,280.0	20,628.3	22,193.4	23,983.5
EBITDA	13,185.0	15,309.0	16,623.6	18,066.5
Deprec. & amort.	1,459.0	1,487.4	1,561.7	1,639.8
EBIT	11,726.0	13,821.7	15,061.9	16,426.7
Associate contributions	(67.0)	(59.0)	(80.0)	(80.0)
<b>Pre-tax profit</b>	<b>11,659.0</b>	<b>13,762.7</b>	<b>14,981.9</b>	<b>16,346.7</b>
Tax	(1,564.0)	(1,450.0)	(1,662.1)	(1,873.8)
Minorities	(17.0)	(92.4)	(46.2)	(67.0)
<b>Net profit</b>	<b>10,078.0</b>	<b>12,220.2</b>	<b>13,273.6</b>	<b>14,405.9</b>
Net profit (adj.)	10,078.0	12,220.2	13,273.6	14,405.9

### CASH FLOW

Year to 31 Dec (HK\$m)	2022	2023F	2024F	2025F
<b>Operating</b>	<b>17,092.2</b>	<b>18,390.7</b>	<b>19,790.4</b>	<b>21,299.3</b>
Pre-tax profit	13,688.4	14,646.6	15,671.9	16,768.9
Other operating cashflows	3,403.7	3,744.1	4,118.5	4,530.4
<b>Investing</b>	<b>(5,950.1)</b>	<b>(5,611.8)</b>	<b>(5,502.7)</b>	<b>(5,607.6)</b>
Proceeds from sale of assets	67.8	74.5	82.0	90.2
Others	(6,017.9)	(5,686.3)	(5,584.7)	(5,697.8)
<b>Financing</b>	<b>(9,022.6)</b>	<b>(10,748.0)</b>	<b>(674.8)</b>	<b>(1,607.6)</b>
Dividend payments	(8,449.4)	(9,294.4)	0.0	0.0
Proceeds from borrowings	(44.6)	(53.6)	(64.3)	(77.1)
Others/interest paid	(528.6)	(1,400.1)	(610.6)	(1,530.4)
<b>Net cash inflow (outflow)</b>	<b>2,119.4</b>	<b>2,030.9</b>	<b>13,612.9</b>	<b>14,084.1</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>11,689.8</b>	<b>12,274.3</b>	<b>12,888.0</b>	<b>13,532.4</b>
Changes due to forex impact	26.0	26.0	26.0	27.0
<b>Ending cash &amp; cash equivalent</b>	<b>13,011.1</b>	<b>14,312.2</b>	<b>15,743.5</b>	<b>17,317.8</b>

### BALANCE SHEET

Year to 31 Dec (HK\$m)	2022	2023F	2024F	2025F
Fixed assets	1,640.0	1,804.0	1,984.4	2,182.8
Other LT assets	21,933.0	24,126.3	26,538.9	29,192.8
Cash/ST investment	13,011.1	14,312.2	15,743.5	17,317.8
Other current assets	369,466.9	402,564.9	438,982.4	479,022.3
<b>Total assets</b>	<b>406,051.0</b>	<b>442,807.4</b>	<b>483,249.2</b>	<b>527,715.7</b>
ST debt	809.0	866.7	953.4	1,048.7
Other current liabilities	352,139.0	387,376.1	426,113.7	468,725.1
LT debt	1,509.0	1,659.9	1,825.9	2,008.5
Other LT liabilities	1,495.0	1,644.5	1,809.0	1,989.8
Shareholders' equity	49,728.0	50,852.1	52,098.4	53,449.8
Minority interest	371.0	408.1	448.9	493.8
<b>Total liabilities &amp; equity</b>	<b>406,051.0</b>	<b>442,807.4</b>	<b>483,249.2</b>	<b>527,715.7</b>

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	72.1	74.2	74.9	75.3
Pre-tax margin	63.8	66.7	67.5	68.2
Net margin	55.1	59.2	59.8	60.1
ROA	2.5	2.9	2.9	2.8
ROE	20.3	24.3	25.8	27.3
<b>Growth</b>				
Turnover	(12.1)	12.8	7.6	8.1
EBITDA	(19.0)	16.1	8.6	8.7
Pre-tax profit	(21.2)	18.0	8.9	9.1
Net profit	(19.4)	21.3	8.6	8.5
Net profit (adj.)	(19.4)	21.3	8.6	8.5
EPS	(19.2)	20.6	8.9	8.0
<b>Leverage</b>				
Debt to total capital	4.4	4.7	5.0	5.4
Debt to equity	4.7	5.0	5.3	5.7
Net debt/(cash) to equity	(21.5)	(23.2)	(24.9)	(26.7)

HANG SENG INDEX AND HANG SENG TECH INDEX OUTLOOK

WEEKLY CHART



Chart by bloomberg

DAILY CHART



Chart by bloomberg

Hang Seng Index

Last Close: 17,454.19

Expected moving range: 17,000 – 18,500

Technical View:

Weekly chart: The Hang Seng Index closed with an inverted hammer pattern last week. It reached a high of 18,174 and a low of 17,126, with volatility of about 1,048 points. The main support level is about 17,000 and resistance is about 18,500.

Daily chart: Last week, the Index briefly broke through the 50-day moving average (red) but failed to hold above that level. It closed near its 20-day moving average (orange), with the 10-day moving average (light blue) pointing upwards. The 14-day RSI is near the midline level of 50 and is now around 48, indicating that momentum has gradually strengthened. As for the MACD indicator, the MACD line is higher than the signal line, showing a bullish crossover signal. If the index breaks through and stays above its 50-day moving average again, it may continue to rebound.

WEEKLY CHART



Chart by bloomberg

DAILY CHART



Chart by bloomberg

Hang Seng Tech Index

Last Close: 3,980.15

Expected moving range: 3,750 – 4,200

Technical View:

Weekly chart: The Hang Seng Tech Index closed with an inverted hammer pattern last week. It reached a high of 4,169 and a low of 3,894, with volatility of about 275 points. The main support level is about 3,750 and resistance is about 4,200.

Daily chart: The Index briefly broke above its 200-day moving average (purple), but failed to hold above that level last week. It closed near its 10-day moving average (light blue), with the 10-day (light blue) and 20-day (orange) moving averages pointing upwards. The 14-day RSI is higher than the midline level of 50 and is now around 52, indicating that momentum has gradually strengthened. As for the MACD indicator, the MACD line is higher than the signal line and both lines are in the bullish zone, resulting in a double bullish signal. The key support level is 3,750.

ANALYST(S)

Terence Chiu

+852 2236 6716

terence.chiu@uobkayhian.com.hk



## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is a licensed corporation providing securities brokerage and securities advisory services in Hong Kong.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHHK. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHHK may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHHK and its associates (as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHHK to be reliable. However, UOBKHHK makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHHK accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHHK and its associates may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHHK and its associates are subject to change without notice. UOBKHHK reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHHK, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKHHK, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKHHK may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKHHK may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report is prepared by UOBKHHK, a company authorized, as noted above, to engage in securities activities in Hong Kong. UOBKHHK is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHHK (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHHK by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHHK.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

**Analyst Certification/Regulation AC**

Each research analyst of UOBKHHK who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHHK or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHHK's total revenues, a portion of which are generated from UOBKHHK's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia (OJK). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which 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.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.