Regional Industry Focus

Southeast Asia Brewery Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity

12 Jun 2024

Who could tie the knot in the Golden Peninsula?

- Southeast Asia (SEA) beer markets are attractive with combined manufacturer sales value of USD22bn and potential for >15% annual volume growth in certain countries for the next 3-5 years
- Armed with minimum USD1bn in capital, global brewers could be keen to invest in SEA to introduce their fresh, aspirational, premium brand portfolio
- Partial partnership is likely the best risk-to-reward entry route for interested brewers with ambitions to gain immediate access to SEA
- ThaiBev stands out as the most attractive SEA partner; a global brewer partnership could be a major re-rating catalyst

SEA is a significant beer market with pockets of attractive opportunities. With combined manufacturer sales value of USD22bn in 2023, equivalent to 40% of China's and 30% of the USA's, SEA is a sizable market. Vietnam and Thailand stand out as the two largest markets, with estimated market sales value of USD6.5bn and USD5.1bn, respectively. Notably, SEA houses some of the few remaining countries in the world with high potential for volume growth, given >15% pre-COVID five-year 2014-2019 CAGR, such as Myanmar and Cambodia.

Brewers keen to enter SEA are flushed with capital and can bring value with their premium portfolio. We identified several brewers who could be keen to enter SEA given their interest in bidding for Sabeco (Vietnam brewery) back in 2017 and currently actively looking out for M&A opportunities. These brewers have an estimated investment capacity of USD1.3bn to USD10.8bn, which could be utilised for their SEA entry or expansion. Apart from capital, they bring along a portfolio of premium brands. These brands could be positioned as fresh, aspirational brands to drive the next leg of growth in more mature beer markets like Thailand. In addition, they could expand margins and accelerate profitability growth, as seen in our case study of Heineken-CR Beer in China.

ThaiBev well-positioned to partner with a global brewer, which will be a major re-rating catalyst. ThaiBev stands out as the ideal partner with its localised knowledge, established distribution channels and brewing infrastructure in multiple sizable beer markets (Thailand and Vietnam) and emerging presence in fast-growing beer markets (Myanmar and Cambodia). A brewery partnership could likely be well received by the market and revive its BeerCo IPO at an attractive valuation, which could turn out be a re-rating catalyst for the company.

Analysts

Zheng Feng CHEE ,zhengfengchee@dbs.com

Andy SIM, CFA, andysim@dbs.com

Clement Xu, clementxu@dbs.com

STOCKS

	Price LCY	Mkt Cap USDmn	12-mth Target Price LCY	Performance (%) 3 mth	12 mth	Rating
Thai Beverage Public Company	0.51	9,137	0.69	1.0	(11.3)	BUY
Budweiser Brewing Company APAC	9.40	18,610	19.00	(27.5)	(55.3)	BUY
Anheuser-Busch Inbev	56.76	120,900	67.00	(2.1)	11.2	BUY
Heineken	94.40	57,360	116.00	9.0	1.6	BUY
Asahi Group	5,865	18,970	6,700	11.2	2.3	BUY
Kirin	2,189	11,440	2,270	6.4	3.8	HOLD

Source: DBS, DBS HK, Bloomberg
Closing price as of 11 Jun 2024

Summary of key SEA beer market metrics

Country	Value in USD mn	Volume in mn L	Consumption in L per capita	CR_3
Vietnam	**6,462**	**4,840**	**43.1**	**86%**
Thailand	5,069	2,017	30.4	95%
Philippines	3,977	2,296	21.5	100%
Cambodia	**2,333**	**1,295**	**77.2**	**76%**
Malaysia	1,112	210	5.8	97%
Indonesia	930	280	1.1	76%
Singapore	862	136	24.2	73%
Myanmar	**747**	**329**	**6.7**	**66%**
Laos	327	393	55.7	100%

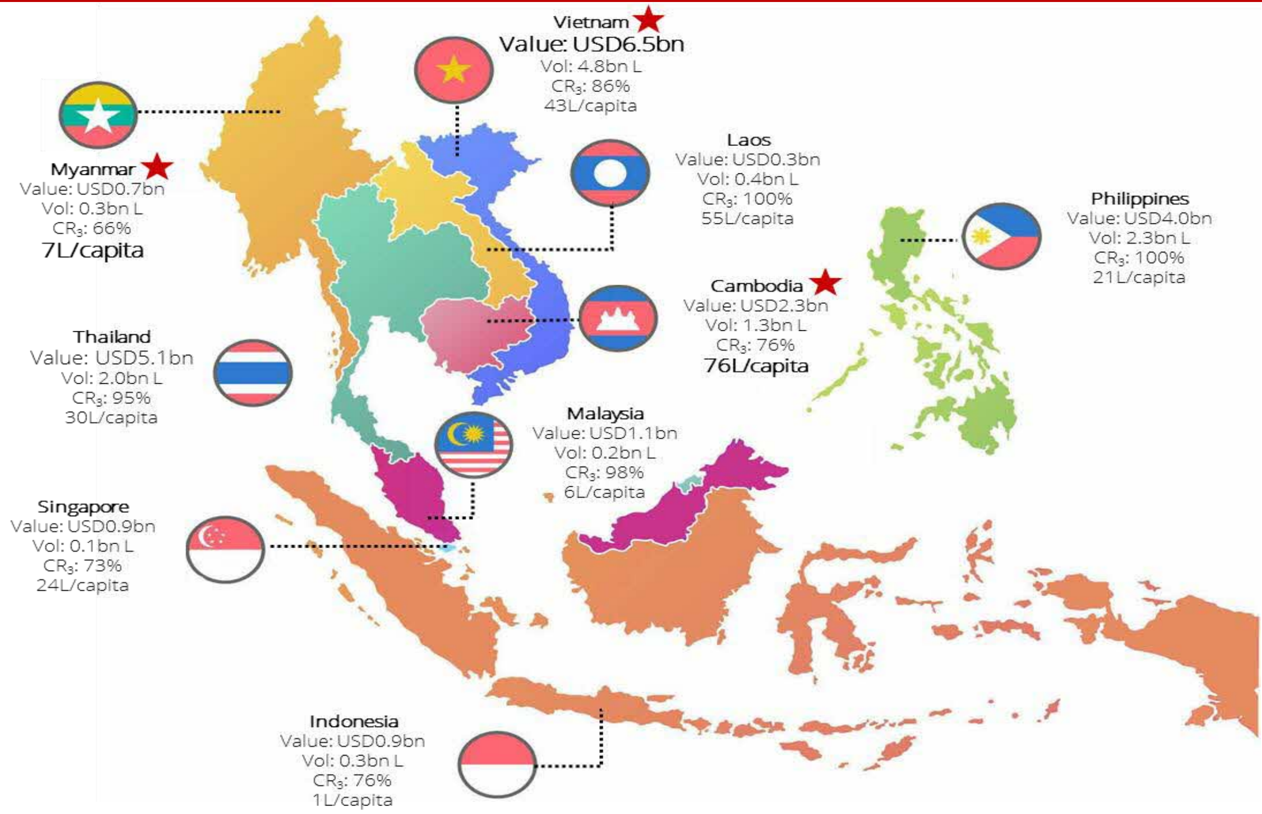
Source: Euromonitor (2023), DBS (note: Value refers to total manufacturer revenue; CR_3 refers to combined market share of top 3 players; attractive markets highlighted in grey)

ed: BM/ sa: PY, CS

What is the current state of the beer market in Southeast Asia (SEA)?

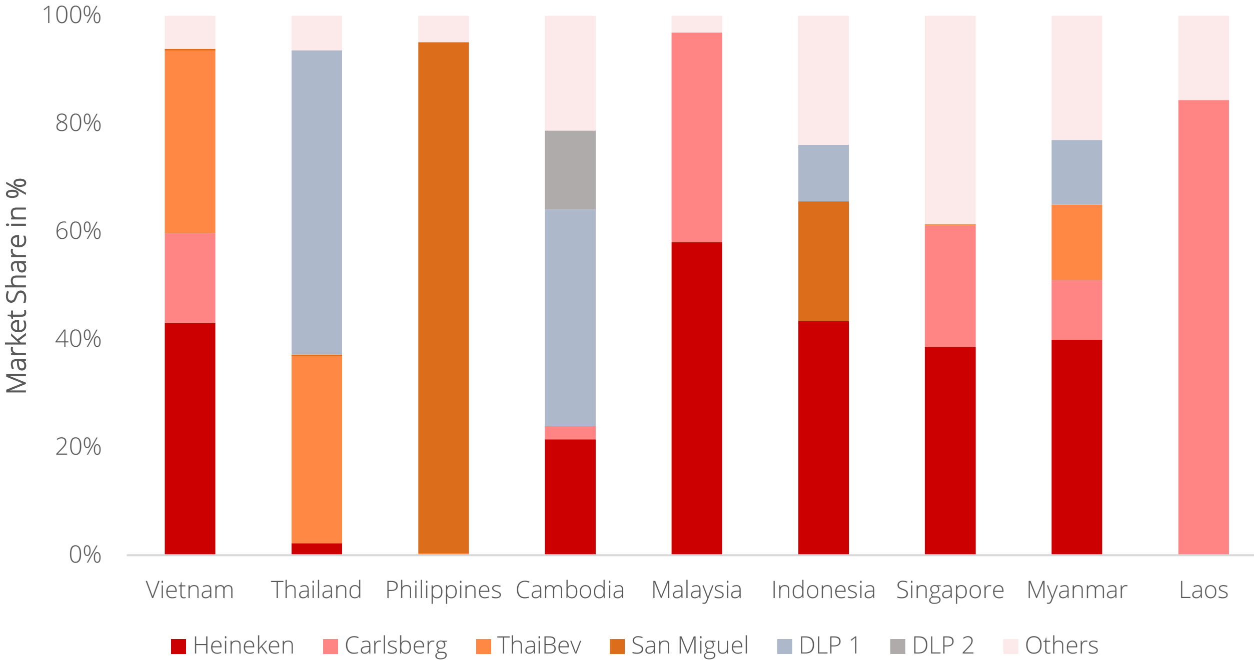
We believe an attractive market has the following criteria: (i) Significant market size and (ii) potential for fast growth. In addition, we rate monopolistic markets as less attractive given the high barriers to entry due to the initial capital outlay and limited incentive to partner with an outsider. Based on our findings, we identified three key markets in SEA, which would be attractive from the perspective of a new entrant brewer: Vietnam, Cambodia, and Myanmar. We summarise the key highlights of the various markets in Diagram 1, Chart 1, and Table 1
.

Diagram 1: Geographic overview of SEA beer markets with starred countries being attractive markets



Source: Euromonitor (2023), DBS (note: CR_3 refers to concentration ratio of top 3 players, which is calculated using the total volume share of top 3 players) (image sourced from Freepik)

Chart 1: Market share of SEA markets reveal (i) highly concentrated markets (top 3 players having >70% market share), (ii) Heineken and Carlsberg being present in multiple key markets, and (iii) San Miguel and Thai Beverage being the only two brewers with sizable presence outside their home countries



Source: Euromonitor (2023), DBS (note: DLP refers to dominant local player with >10% market share; Carlsberg's market share in Vietnam includes share of Habeco, which it has a minority stake in; Heineken's market share includes Diageo's market share, as Heineken has a brewing license for Guinness in Malaysia; countries sorted by market size)

Table 1: Overview of attractiveness of various Southeast Asian beer markets

Countries	Value CAGR (2014-2019)	Vol CAGR (2014-2019)	Price CAGR (2014-2019)	Attractiveness	Commentary
Vietnam	9.1%	7.2%	1.9%	High	Largest beer market in SEA with decent headroom for volume growth
Thailand	7.3%	2.2%	5.1%	Medium	Second largest beer market, but facing tapering volume growth
Philippines	11.4%	10.7%	0.7%	Medium	Essentially a single-player market, but has strong volume growth to support new entries and/or growth of smaller players
Cambodia	15.3%	15.6%	-0.3%	High	High-volume growth market, albeit with fierce price competition
Malaysia	7.3%	5.3%	2.0%	Medium	~64% Muslim population, prohibited from alcohol consumption
Indonesia	4.9%	3.8%	1.1%	Medium	~87% Muslim population, prohibited from alcohol consumption
Singapore	1.5%	1.6%	-0.1%	Low	Beer brands can easily compete via import route
Myanmar	26.3%	18.9%	7.4%	High	High-growth emerging market
Laos	3.6%	5.1%	-1.5%	Low	Essentially a single-player market

Source: Euromonitor (2023), CIA The World Fact Book, DBS (note: Value refers to total manufacturer revenue and denominated in USD)

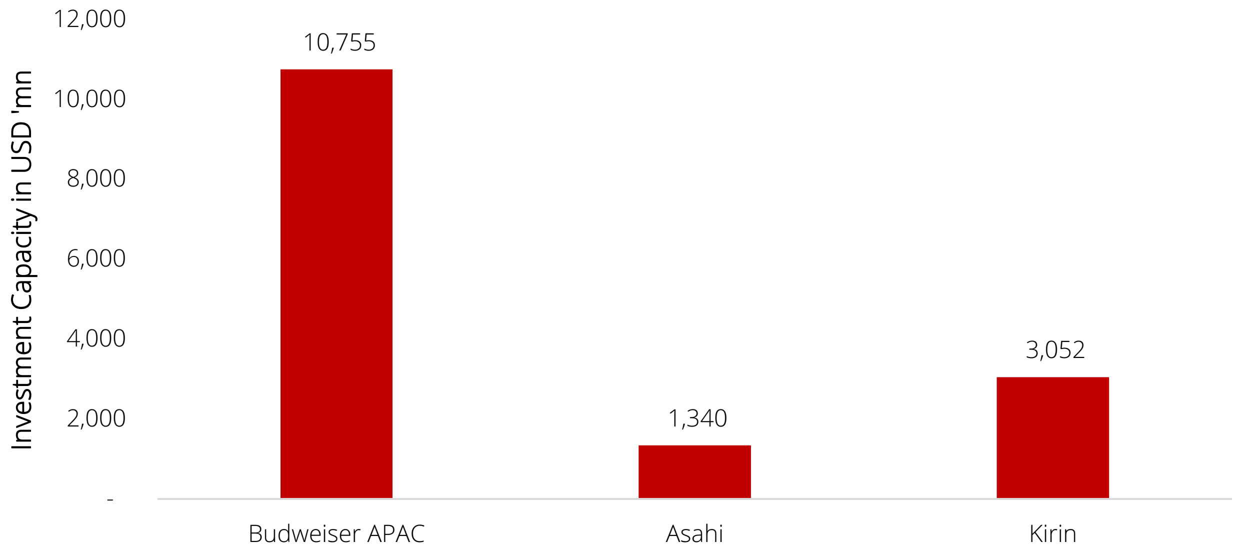
Who are keen to enter/expand in the SEA markets?

We looked at the list of bidders for Sabeco (Vietnam brewery) in 2017 to narrow down the global brewers who could be keen to enter the SEA market. We excluded Heineken and Carlsberg given their already sizable presence in the region. The remaining brewers include Anheuser-Busch InBev (ABI), Asahi, Kirin, Boon Rawd, and San Miguel.

By reviewing recent earnings calls and speaking with management to identify interest in merger and acquisitions, we further narrowed the list to three key players: Budweiser APAC (ABI's Asian subsidiary), Asahi and Kirin, who are likely interested in expanding into SEA.

Out of these, Budweiser APAC stands out, with significantly higher investment capacity relative to its peers, a result of net cash position at listing, significant free cash flow generation and no major capex/acquisitions since listing. On the other side of the spectrum, we have Asahi, which has the lowest investment capacity, as the company is still working through the additional debt it took to fund the USD11bn Carlton & United Breweries acquisition back in 2020.

Chart 2: ABI stands out as the brewer with significant financial muscle while Asahi lags behind, as it levered up significantly to acquire Carlton & United Breweries back in 2020



Source: Refinitiv, DBS (note: Investment capacity calculated based on additional debt headroom should the company leverage up to 3x net debt to EBITDA)

What are the potential routes to enter SEA markets?

We believe that there are three key routes to entering a new market: Greenfield, licensing, or brownfield, as summarised in Table 2.

Table 2: Overview of various strategies of entry into new markets

Entry Strategies		Pros	Cons	Example
Greenfield	Independent	✓ Ease of decision-making ✓ Capture entire pool of profits ✓ Cheaper relative to acquiring an established business	× Long lead time to secure required regulatory approvals × Uncertain path to profitability on top of significant capex and startup losses	Bira (India)
	Joint venture	✓ Localised knowledge/contacts to reduce regulatory, distribution, and marketing risks	× High potential for conflicts × High capex outlay and startup losses, but likely lower relative to independent route	Heineken-Alliance Brewery (Myanmar)
Licensing	Brew + distribute	✓ Low upfront costs and secured recurring revenue stream ✓ More competitive pricing relative to import + distribute route given lack of import taxes and lower shipping costs	× Slow to scale, profits likely limited to contractual terms	ABI-Kirin (US)
	Distribute	✓ Low upfront costs and secured recurring revenue stream	× Pricing disadvantage relative to locally brewed brands × Slow to scale, profits likely limited to contractual terms	Carlsberg Malaysia-Asahi
Brownfield	Full control	✓ Greater certainty on sales and growth trajectory and direction with established infrastructure and full control of business strategy ✓ Capture entire pool of profits ✓ Low potential for conflicts	× Typically, deal is done at high valuation as it includes control premium × Post-merger integration is key	Asahi-ABI (Europe)
	Partial stake	✓ Established presence and distribution network ✓ More say in overall business strategy relative to licensing in promoting own brands ✓ Initial investment outlay lower relative to full control	× High potential for conflicts × Typically lower returns relative to having sole ownership, but still higher than licensing route	Heineken-CR Beer

Source: DBS

Greenfield – independent

Bira is a case study of a relatively successful greenfield independent venture in India. We believe the key reasons for its successful introduction of a new brand in an oligopolistic Indian market back in 2015 was (i) its unconventional branding strategy, (ii) the muted competitive environment with India being a high-volume growth market, and (iii) abundant investor funding (est. >USD300mn as of 31 Mar 23). The company achieved an est. 5% market share in India as of end-2023.

Greenfield – joint venture

Heineken entered into a joint venture with Alliance Brewery Company Ltd (owned by local businessman) in Myanmar back in 2013. At that time, it committed to invest USD60mn to set up a new brewery. We believe the venture has been highly successful with a leading market share of 40% (Euromonitor, 2023) and likely profitable given the significant scale of operation.

Licensing

Kirin and Anheuser-Busch (now known as ABI post-merger) have a licensing partnership in the US in 1996. At the time, ABI brewed and distributed Kirin's Ichiban brand beer while Kirin controlled the brand marketing.

After a decade of partnership, Kirin's market share remained low, at an estimated <1% as of end-2016. This prompted Kirin to let ABI handle the marketing and take a larger share of the profits when it came time to renew its license.

Brownfield – full control

Asahi's acquisitions of ABI's Europe and Oceania assets are prime examples of success stories. However, ABI's situation was unique in that it came about as a result of a series of unique circumstances, as follows:

I. Europe business disposal – this was a result of anti-competition regulations
II. Oceania business disposal – a result of the urgent need to reduce its debt load

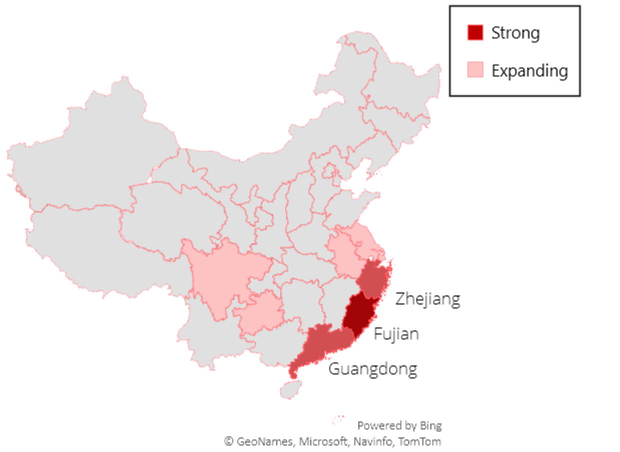
Brownfield – partial control

CR Beer and Heineken N.V. reached a long-term strategic partnership agreement in November 2018. The partnership included the following transactions:

1) Heineken invested USD3bn to acquire an indirect effective partial ownership of 20.67% in CR Beer
2) China Beer's parent co-invested USD550mn to acquire a 1% stake in Heineken
3) Heineken injected its China operating entities, including three breweries, into CR Beer for USD310mn

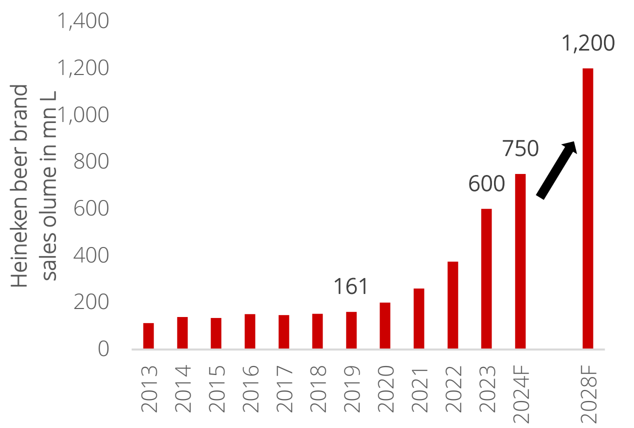
The partnership has seen initial success with Heineken's sales expanding beyond Fujian and its volume more than tripling since 2019 (refer to Diagram 2 and Chart 3).

Diagram 2: CR Beer partnership provided distribution access which drove Heineken's growth beyond its core Fujian market



Source: Company data, DBS

Chart 3: With the CR Beer partnership, Heineken's volume saw strong growth momentum with goal to double volume by 2028

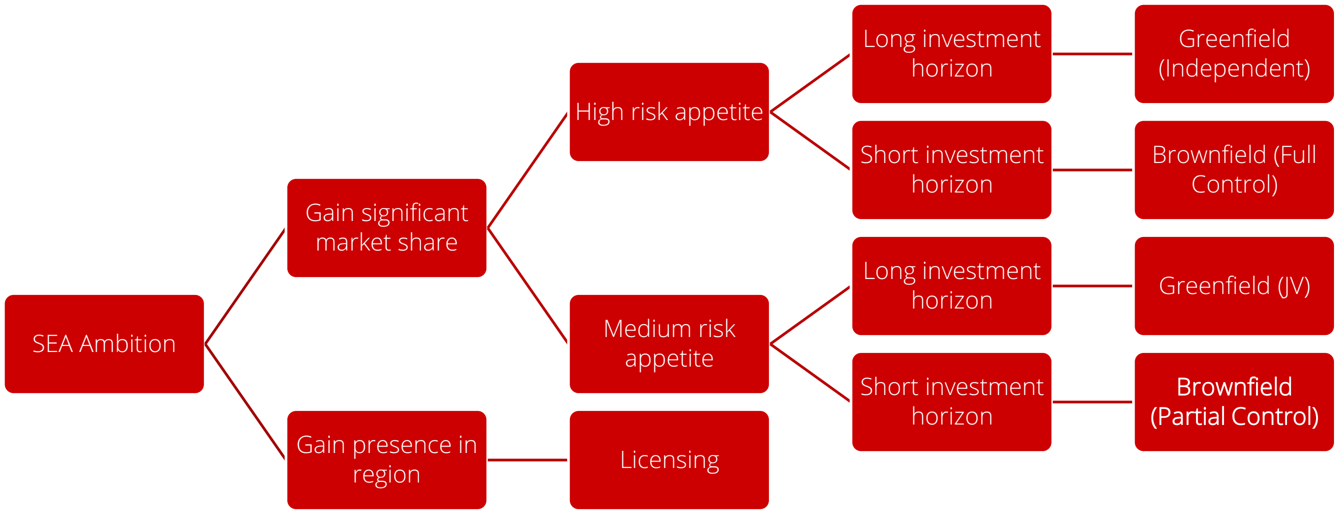


Source: Euromonitor, Company data, DBS

What is the ideal route to enter SEA market?
Our view is that there is no one-size-fits-all approach. The right approach is dependent on the risk appetite, investment time horizon, and ambition of the global brewer.

However, based on the decision chart overview (Diagram 2), we believe the brownfield (partial control) route likely provides the most optimal mix of risk to reward.

Diagram 3: Decision chart to determine ideal route to enter SEA beer markets



Source: DBS (investment horizon defined as timeline to achieve positive return on initial investment)

Who are the potential partners in SEA?

We summarised the potential companies that global brewers can partner with in the SEA markets in Table 3. Out of these, Thai Beverage stands out as an ideal partner, especially for the ambitious brewer keen to gain access to multiple attractive SEA markets in one go.

Table 3: Overview of local players that global brewers could partner with to enter SEA market

Company	Current SEA presence	Attractiveness	Commentary
Thai Beverage	Thailand: 35% Vietnam: 34% Myanmar: 14% Cambodia: <1%	High	Likely open to minority partnership; may require a premium over other players given its widespread geographical presence
San Miguel	Philippines: 95% Indonesia: 22% Vietnam: <1% Cambodia: <1%	Low	Minority owned by Kirin (48%), unlikely to be receptive to partnership with new player
Boon Rawd	Thailand: 56% Vietnam: <1%*	Medium	Largely Thailand market access
Khmer	Cambodia: 40%	Medium	Sole market access to Cambodia
Ganzberg	Cambodia: 15%	Medium	Sole market access to Cambodia
Asia Brewery	Philippines: 5%	Low	Sole market access to Philippines; has existing JV agreement with Heineken
Myanmar Brewery	Myanmar: 14%	Low	Sole market access in Myanmar; potential human rights issues due to military government ties
Beverindo	Indonesia: 11%	Low	Sole market access to Indonesia, which is a relatively small market with muted volume growth

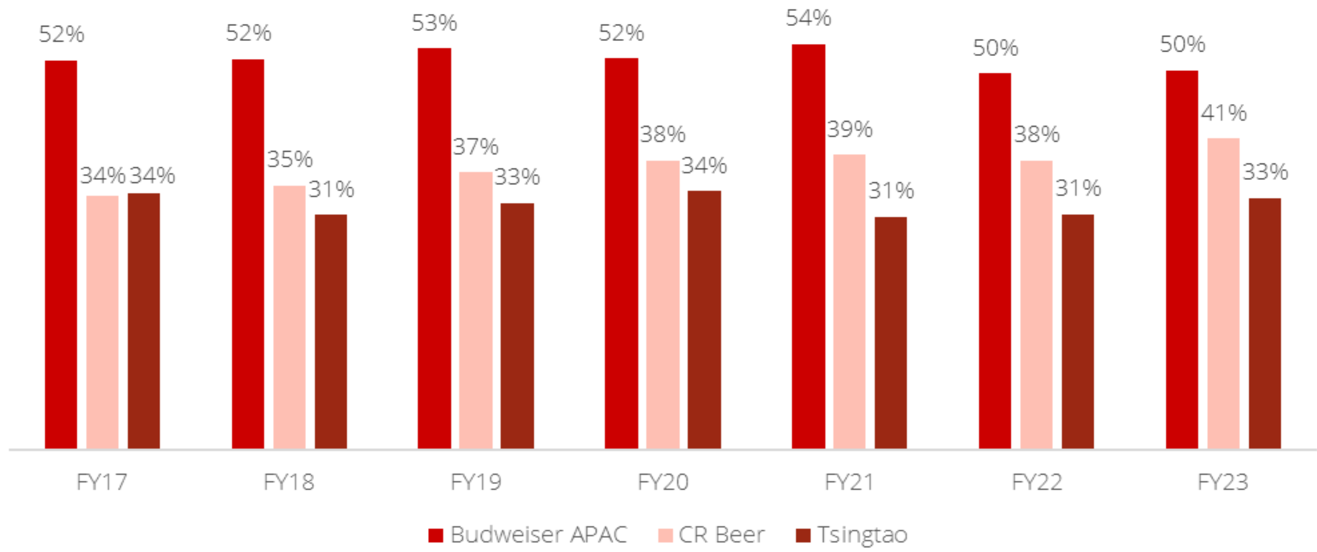
*Source: Euromonitor (2023), DBS (*Minority investment into Masan Consumer Holdings and Masan Brewery)*

What can an interested brewer bring to the table apart from funds?

Apart from investment, an interested brewer brings along its portfolio of new brands. Its premium brand portfolio could expand margins and accelerate the growth in profitability for its partner brewer (refer to Chart 4).

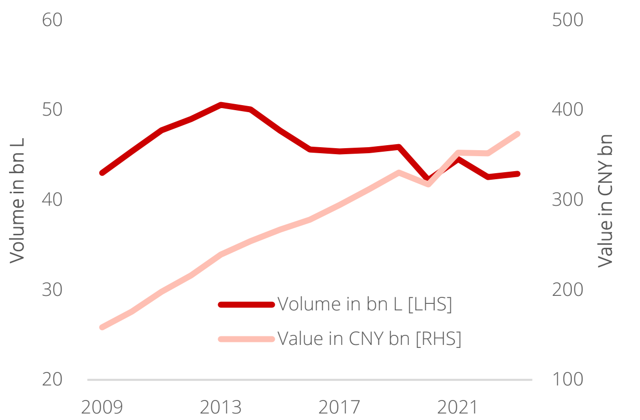
In addition, we believe premiumisation is crucial to delivering the next leg of growth in mature volume markets, like in the case of China (Refer to Chart 5 and Chart 6). This would soon be relevant to markets like Thailand, where volume growth is showing signs of tapering and potentially going into decline.

Chart 4: Chinese premium brand leader Budweiser APAC's gross margin has been consistently higher than its peers; CR Beer's gross margin has trended higher with inclusion of premium Heineken brand since 2019



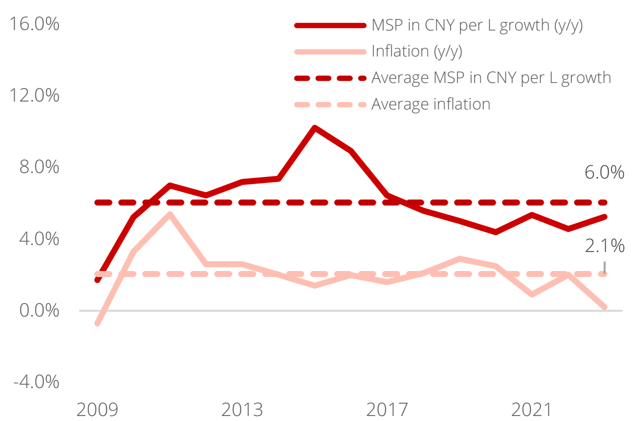
Source: Refinitiv, DBS

Chart 5: China's beer value continues to grow despite volume decline on continued premiumisation



Source: Euromonitor, DBS (note: Value refers to total market value based on manufacturer sales price)

Chart 6: China's beer pricing has been on average 4ppt above inflation, reaffirming premiumisation effect



Source: Euromonitor, China National Bureau of Statistics, CEIC, DBS

Summary of potential partnership commentaries

ThaiBev – we have a BUY call with TP of SGD0.69. We believe the company will be a key target of equity partnership with a major global brewer, which could lead to the revival of the BeerCo IPO at an attractive valuation and serve as a major re-rating catalyst. While the timeline is uncertain, with it trading at 12x forward PE, -1SD of its five-year average forward PE, we believe the risk-to-reward ratio is tilted to the upside. In addition, investors can enjoy a decent ~5% yield while waiting.

Budweiser APAC – we have a BUY call with TP of HKD19. The company has repeatedly highlighted M&A in Asia Pacific region as a value driver, especially so with its huge cash surplus. It also has a wide brand portfolio, which a potential partner can leverage on, including Budweiser, Corona, Stella Artois, and Hoegaarden, amongst others.

Asahi – we have a BUY call with TP of JPY6,700. While the company has a relatively high debt level, it remains open to acquisitions. With its lower investment capacity, it could be more amenable to a minority ownership, which would work well with ThaiBev.

Kirin – we have a HOLD call with TP of JPY2,270. The company has indicated at the allocation of capital for acquisitions, albeit in the health science category. Nonetheless, with its recent Bira investment (est. USD125mn as of Feb 24), we believe the company remains keen to expand in the beer category.

Overview of financial metrics of select relevant major global brewers

Company	Mkt Cap in USD mn	Forward PE Ratio		Forward EV/EBITDA Ratio		Earnings growth		EBITDA growth	
		FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Anheuser-Busch Inbev SA	124,871	18.3x	16.0x	8.6x	7.9x	13.3%	14.3%	6.6%	6.4%
Heineken NV	58,948	19.7x	16.9x	10.2x	9.4x	-0.4%	16.4%	7.5%	7.0%
Carlsberg A/S	19,385	17.5x	15.8x	10.0x	9.5x	3.5%	10.8%	4.7%	6.3%
Asahi Group Holdings	19,047	14.6x	13.6x	10.0x	9.2x	14.5%	7.0%	4.9%	5.7%
Budweiser APAC	16,411	15.9x	14.2x	6.2x	5.4x	9.0%	12.2%	5.1%	10.0%
Kirin Holdings	12,920	13.6x	12.7x	8.7x	8.1x	6.7%	7.4%	-0.9%	6.3%
China Resources Beer	12,999	15.7x	13.5x	6.9x	5.9x	16.3%	16.0%	54.4%	11.4%
Tsingtao Brewery	12,437	14.3x	12.7x	10.3x	9.0x	12.5%	12.4%	12.0%	9.8%
Thai Beverage	9,477	12.4x	11.5x	10.6x	9.8x	-7.9%	7.8%	-4.0%	4.6%
Saigon Beer	3,416	20.3x	18.7x	14.6x	13.2x	-17.0%	8.5%	-2.9%	9.3%
Mean		16.2x	14.6x	9.6x	8.7x	5.0%	11.3%	8.7%	7.7%

Source: Refintiv, DBS, DBS HK (as of 11 Jun 24) (note: Thai Beverage's financial year ends on 30 Sep)

DBS Group Research recommendations are based on an Absolute Total Return* Rating system, defined as follows:
STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 12 Jun 2024 19:42:13 (SGT)
Dissemination Date: 12 Jun 2024 20:32:49 (SGT)

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

(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 associate[1] does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests[2] 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"), DBSVUSA, or their subsidiaries and/or other affiliates have proprietary positions in Thai Beverage Public Company, Anheuser-Busch Inbev recommended in this report as of 31 May 2024.

   DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates have proprietary positions in Budweiser Brewing Co APAC Ltd, China Resources Beer Holdings Co Ltd, Tsingtao Brewery Co Ltd recommended in this report as of 06 Jun 2024.

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.

[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.

Directorship/trustee interests:

3. Punita LAL, a member of DBS Group Holdings Board of Directors, is a Observer, Global Supervisory Board Director of Carlsberg Brewery as of 31 Mar 2024.

Disclosure of previous investment recommendation produced:

4. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, 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.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946. 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. Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.
Hong Kong	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. This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore. For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies. Wong Ming Tek, Executive Director, ADBSR
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.

Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd. For any query regarding the materials herein, please contact Chanpen Sirithanarattanakul at research@th.dbs.com
United Kingdom	This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore. This report is produced by DBS Bank (Hong Kong) Limited ("DBS HK") which is regulated by the Hong Kong Monetary Authority. 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. 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.
Dubai International Financial Centre	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. 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. 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. 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. 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). 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. 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.

United States	This report was prepared by DBS Bank Ltd, DBS Bank (Hong Kong) Limited ("DBS HK"). DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
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 Bank (Hong Kong) Ltd
Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE
DBS Bank Ltd
Contact: Andy Sim
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
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