

DBS Group Research . Equity

30 Aug 2019

BUY

Last Traded Price (29 Aug 2019):HK\$11.40 (HSI : 25,704)

Price Target 12-mth: HK\$14.50 (27.2% upside) (Prev HK\$15.06)

Analyst

Jeff YAU CFA, +852 36684180 jeff_yau@dbs.com

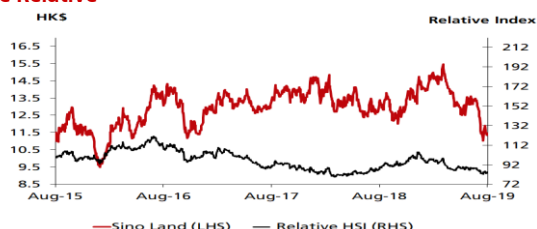
Ian CHUI CFA, +852 36684174 ianchui@dbs.com

Jason LAM +852 36684179 jasonlamch@dbs.com

What's New

- **FY19 underlying profit down 58% to HK\$4.67bn, which was 7% above our estimate**
- **Encouraging project launches point to good earnings visibility**
- **Impeccable financials with net cash further improving to HK\$34bn**
- **Maintain BUY with HK\$14.5 TP**

Price Relative



Forecasts and Valuation

FY Jun (HK\$ m)	2018A	2019A	2020F	2021F
Turnover	10,730	8,010	6,680	32,387
EBITDA	10,993	3,700	2,943	11,138
Pre-tax Profit	12,862	5,334	4,775	12,304
Underlying Profit	11,247	4,671	4,165	10,302
EPS (HK\$)	1.75	0.70	0.61	1.51
EPS Gth (%)	97.4	(60.2)	(12.3)	147.4
PE (X)	6.5	16.4	18.7	7.5
P/Cash Flow (X)	nm	5.8	nm	18.1
EV/EBITDA (X)	4.1	12.0	15.1	4.0
DPS (HK\$)	0.98	0.55	0.55	0.68
Div Yield (%)	8.6	4.8	4.8	6.0
Net Gearing (%)	CASH	CASH	CASH	CASH
ROE (%)	8.4	3.3	2.8	6.8
Est. NAV (HK\$):			26.7	26.4
Disc. to NAV (%)			(57)	(57)
Earnings Rev (%):			1	New
Consensus EPS (HK\$):			0.79	1.58
Other Broker Recs:	B:11	S:1	S:1	H:2

Source: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters

Safe bet in a shaky market

BUY with HK\$14.5 TP. Following the recent share price correction, the stock is now trading at an attractive 57% discount to our assessed current NAV or 68% discount excluding net cash. Its key investment appeal lies in its robust balance sheet strength, which makes the stock a safe bet in the prevailing volatile market. Maintain BUY on Sino Land with HK\$14.50 TP.

Good earnings visibility. The launches of Grand Central in Kwun Tong, Mayfair by the Sea 8 in Tai Po, and Madison Park in Cheung Sha Wan received encouraging response with total attributable sales proceeds of HK\$22.4bn. As a result, most of our development income forecast for FY21-22F are well secured pointing to good earnings visibility.

Strong war chest for value-accretive acquisitions. As of Jun-19, Sino Land is sitting on net cash of HK\$34bn (from Dec-18's HK\$22.3bn) or c.HK\$30bn including net debt at the associates' level, thanks to strong proceeds from selling Grand Central and Mayfair by the Sea 8. Coupled with outstanding sales receivables of c.HK\$6bn that will mostly be received before the end of this year, Sino Land has a strong war chest to pursue value-accretive land acquisition opportunities for long-term growth.

Valuation:

Our TP for Sino Land is based on target discount of 45% to our Jun-2020 NAV estimate.

Key Risks to Our View:

Any deterioration in property demand could drag its earnings and share price performance.

At A Glance

Issued Capital (m shrs)	6,817
Mkt Cap (HK\$/US\$m)	77,714 / 9,905
Major Shareholders (%)	
Tsim Sha Tsui Properties Ltd	53.2
Free Float (%)	46.8
3m Avg. Daily Val. (US\$m)	9.85
ICB Industry: Financials / Real Estate Investment & Services	

Bloomberg ESG disclosure score (2018) [^]	40.5
- Environmental / Social / Governance	43.4 / 22.8 / 51.8

[^] refer to back page for more information



Live more, Bank less

Sino Land

WHAT'S NEW

Sino Land's FY19 underlying profit came in at HK\$4.67bn, down 58% y-o-y, as its FY18 results were boosted by windfall profits from stake disposals in The Palazzo in Chengdu and The Coronation in Chongqing. The results were 7% better than expected due to stronger-than-expected development earnings. Despite lower earnings, final DPS rose 3% to HK\$0.41. This brought full-year DPS to HK\$0.55.

Including associates and joint ventures, development earnings fell 57% to HK\$1.04bn, largely supported by sale of Commune Modern in Fanling. Continued sales at The Spectra, Marinella and Cluny Park also contributed to development profits. Sino Land also reaped profit of HK\$65m from selling the commercial portion of One New York.

Disposal of investment properties, mainly car parks at Central Park/Le Sommet in Xiamen produced gains of >HK\$230m.

Gross and net rental income grew 4% and 3% to HK\$4.24bn and HK\$3.69bn respectively primarily because of positive rental reversion across its office and retail portfolios. Portfolio occupancy stayed firmed at 86%. Hotel division recorded 2% decline in profit contributions led by a weaker performance of The Westin Sydney.

Starting from 4Q19, Sino Land plans to launch luxury projects at Kadoorie Avenue, Ma On Shan, and Sai Kung. These projects altogether provide GFA of 0.48m sf with 302 units.

Sino Land

Results Summary

FY Jun (HK\$m)	FY18	FY19	% Chg	Comments
Turnover	10,730	8,010	(25)	FY19: mainly due to lower property sales revenue
Property sales	1,311	828	(37)	FY19: mainly from Modern Commune; FY18: mainly from The Mediterranean, Park Mediterranean, Dynasty Park
Property rental	2,750	2,850	4	
Property management and other services	253	219	(14)	
Hotel operations	320	349	9	
Investment in securities	43	48	12	
Financing	54	61	12	
Other income and other gains or losses	706	92	(87)	FY18: included HK\$542m gains from disposal of 50% stake in The Coronation in Chongqing
Increase in fair value of investment properties	927	1,966	112	
(Loss)/gain arising from change in fair value of trading securities	0	1	n.a.	
Gain on disposal of investment properties	25	77	204	mainly from the disposal of car parking spaces
Gain on partial disposal of a subsidiary	7,055	50	(99)	FY19: from selling One New York retail arcade; FY18: from the disposal of 80% stake in The Palazzo, Chengdu
Administrative and other operating expenses	(873)	(998)	14	
Finance income (costs), net	508	581	14	
Share of results of associates & joint ventures	2,586	1,594	(38)	
- Property sales	1,124	217	(81)	FY19: mainly from continued sales at The Spectra and Providence Bay; FY18: mainly from The Spectra
- Property rental	841	860	2	
- Property management and other services	17	33	92	
- Hotel operations	231	188	(18)	
- Investment in securities	0	0	0	
- Financing	14	15	7	
- Other income and other gains or losses	(132)	117	n.a.	
- Administrative and other operating expenses	(221)	(231)	5	
- Increase in fair value of investment properties	1,519	620	(59)	
- Gain on disposal of investment properties	3	146	4,482	
- Finance costs net of finance income	(201)	(29)	(85)	
- Income tax expenses	(609)	(341)	(44)	
Profit before taxation	15,666	7,718	(51)	
Taxation	(1,632)	(714)	(56)	FY19: Included China LAT of HK\$53m; FY18: included China LAT of HK\$149m and Enterprise Income Tax of HK\$693m on the disposals of The Palazzo in Chengdu and The Coronation in Chongqing
Minority interests	(38)	(90)	135	
Net profit	13,996	6,915	(51)	
Underlying profit	11,247	4,671	(58)	

Source: Sino Land

Sino Land

CRITICAL FACTORS TO WATCH

Critical Factors

Pure Hong Kong property play. Sino Land's share price should largely be driven by NAV expansion. With c. 90% of its gross asset value from Hong Kong properties, its share price performance should correlate with the Hong Kong real estate market. Generally, its shares have reacted positively when major residential project launches met with favourable market response. Sitting on a huge cash pile, capital recycling would also play a crucial role in determining its future share price.

Robust property sales proceeds. In FY19, Sino Land attained attributable contracted sales of HK\$24bn, mainly from Grand Central and Mayfair by the Sea 8. Since its initial launch in Dec-18, about 82% of a total of 1,999 units at Grand Central in Kwun Tong was pre-sold at an ASP of c.HK\$19,200psf. Given low land cost, Grand Central should be very lucrative with pre-tax margins estimated at >40%. This makes it a profit bonanza when completed in FY21. Launched in Jan-19, Mayfair by the Sea 8 is selling well with c.76% of total units already snapped up. Based on ASP of HK\$14,500psf, we estimate pre-tax margins at >30%.

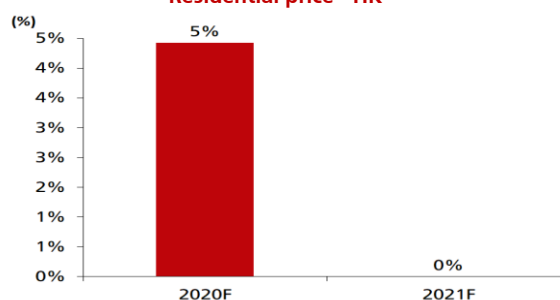
Land bank restocking to drive future growth. In Apr-19, Sino Land teamed up with K.Wah International and China Merchants Land to secure the development rights of Lohas Park Package 11 in Tseung Kwan O through tender. Sino Land has a 40% stake in this project which provides GFA of 0.96m sf upon scheduled completion in 2025. Land premium has been fixed at HK\$3.05bn. The Sino Land consortium is required to give MTRC an undisclosed lump sum as well as 20% of development profit. Given good transportation accessibility, the Lohas Park projects enjoy high sell-through rates.

Dividend matters. Dividend is now playing an increasingly crucial role in driving share price performance. In FY20, we expect the company to maintain its dividend. Upon recognition of the windfall profit from Grand Central in FY21, Sino Land will decide whether to substantially raise the basic dividend or distribute a special dividend to reward shareholders.

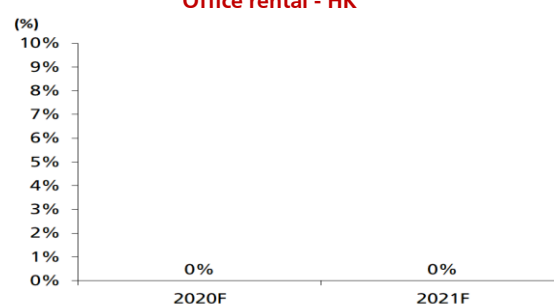
Portfolio expansion to augment recurring income. Sino Land will retain two office/retail developments in Yuen Long and Wong Chuk Hang and an industrial property (as data centre) in Kwai Chung for long-term investment. The Fullerton Ocean Hotel Hong Kong, a 60/40 joint-venture with unlisted Empire Group, will be added to its hotel portfolio when completed in FY21. In Jul-19, Sino Land teamed up with Kerry Properties to acquire a commercial site (GFA: 80000sm) in Qianhai district of Shenzhen for Rmb2.6bn. Sino Land has 30% stake in this project which will be retained for long-term investment upon completion.

KEY ASSUMPTION

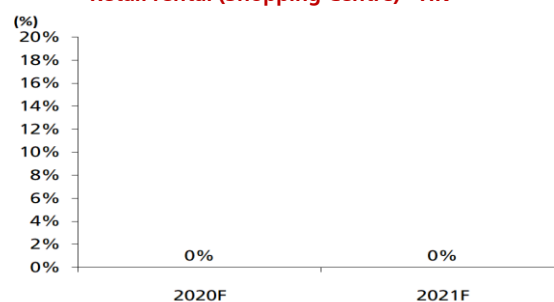
Residential price - HK



Office rental - HK



Retail rental (Shopping Centre) - HK

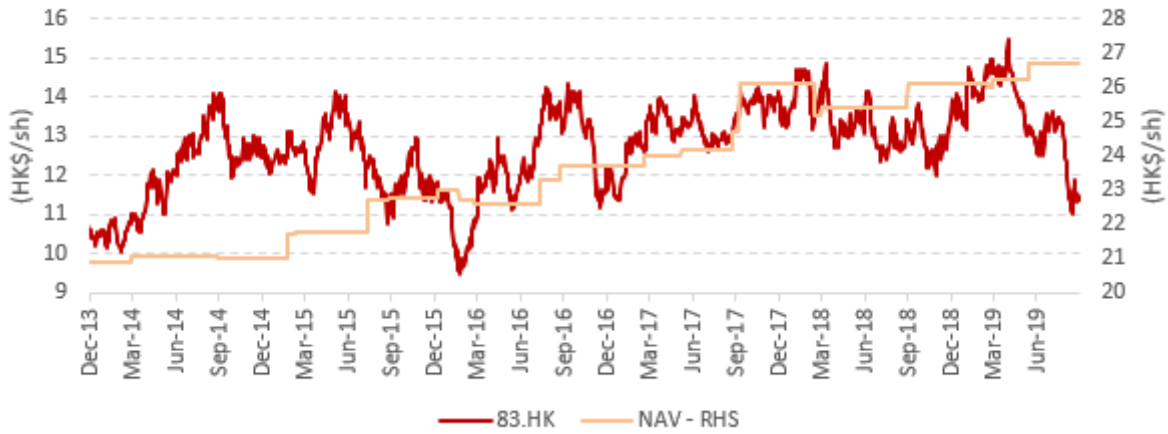


Source: Company, DBS HK

Sino Land

Appendix 1: A look at Company's listed history – what drives its share price?

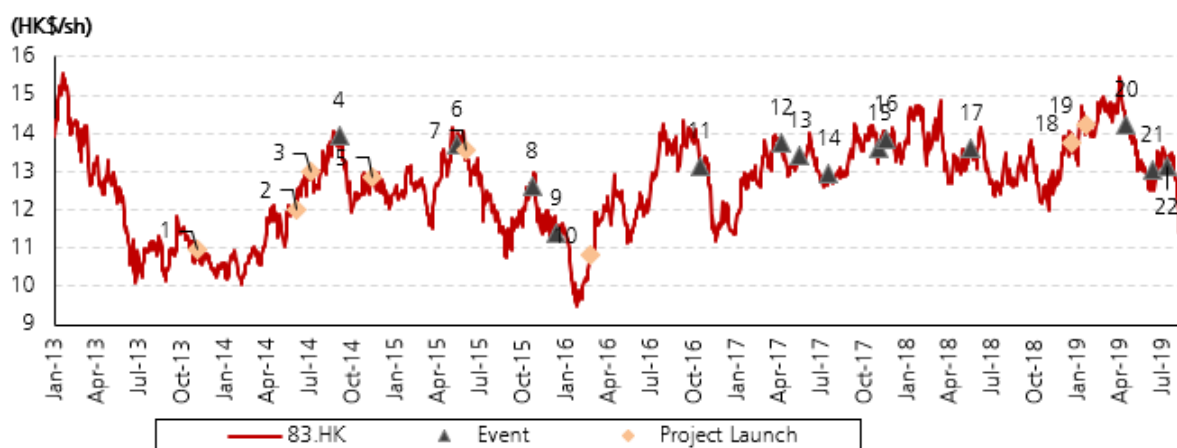
Sino Land share price vs. estimated NAV



Source: Bloomberg Finance L.P., DBS HK

Sino Land

Sino Land share price vs. key events



Event

- 1 Launched The Avenue in Wanchai
- 2 Launched Mayfair By The Sea I in Tai Po
- 3 Launched Mayfair By The Sea II in Tai Po
- 4 Won tender for Urban Renewal Authority's Kwun Tong Town Centre Project (Development areas 2 & 3) in August 2014 (90% Sino Land; 10% Chinese Estates)
- 5 Launched Dragons Range in Kau To
- 6 Teamed up with Billion Development/CSI Props to acquire an office site (NKIL 6313) in Kowloon Bay for HK\$3.043bn or HK\$6,199psf
- 7 Launched Corinthia by the Sea in Tseung Kwan O
- 8 Sold 50% stake in the Coronation in Chongqing to Evergrande Real Estate Group for HK\$3.5bn
- 9 Acquired a business site (YLTL 532) in Yuen Long for HK\$1.69bn or HK\$3,396psf
- 10 Launched The Spectra in Yuen Long
- 11 Teamed up with Empire Group to acquire an office site (AIL 462) in Wong Chuk Hang for HK\$2.53bn or HK\$8,872psf
- 12 Won tender for URA's Peel Street Site A redevelopment in Central in March 2017
- 13 Teamed up with K.Wah & COLI to secure the development rights of Kam Sheung Road Station Ph 1
- 14 Acquired a residential site (STTL 611) in Ma On Shan for HK\$1.38bn or HK\$11,587psf
- 15 Teamed up with K.Wah/Wheelock & Co/Shimao/SEA to acquire a residential site (NKIL 6549) in Cheung Sha Wan for HK\$17.3bn or HK\$17,501psf
- 16 Teamed up with Kerry Props to secure the development rights of Wong Chuk Hang Station Package 2
- 17 Teamed up with CSI Props to secure the development rights of Yau Tong Ventilation Building site
- 18 Launched Grand Central in Kwun Tong
- 19 Launched Mayfair by the Sea 8 in Tai Po
- 20 Teamed up with K.Wah and China Merchants Land to secure the development rights of LOHAS Package 11
- 21 First large scale anti-extradition bill protest.
- 22 Teamed up with Kerry Props to secured development rights of a commercial site in Qianhai, Shenzhen

Source: Bloomberg Finance L.P., Lands Department, Sino Land, various news reports

Sino Land

Balance Sheet:

Impeccable balance sheet. As of Jun-19, Sino Land is sitting on net cash of HK\$34bn (from Dec-18's HK\$22.3bn) or c.HK\$30bn including net debt at the associates' level, thanks to strong proceeds from selling Grand Central and Mayfair by the Sea 8. Outstanding sales receivables stood at c.HK\$6bn. With impeccable balance sheet strength, Sino Land is well placed to pursue value-accretive land acquisition opportunities.

Share Price Drivers:

The appealing valuation and robust balance sheet should provide upside on the stock.

Key Risks:

Market risk. Any deterioration in property demand could drag its earnings and share price performance.

Policy risk. Any unexpected housing policy change could trigger a sector wide re-rating or de-rating.

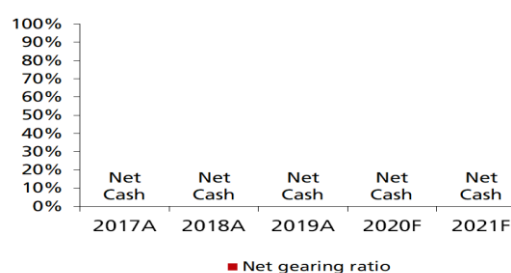
Environment, Social, Governance:

Sino Land has implemented targets to reduce emissions of carbon, hazardous waste, non-hazardous waste, and effluent discharge from all its properties. The company has achieved c.13% reduction in carbon emissions compared to 2012. Sino Land has 34 flagship properties compliant with internationally recognised environmental standards. In the investment property segment, Sino Land has upgraded its chillers and installed photovoltaic panels to reduce energy consumption. Mission Green Top is a philanthropic urban farming program initiated by Sino Land in 2008, which saw the formation of one of the first rooftop gardens in a commercial building in Hong Kong. The program has been expanded to other properties managed by Sino Land.

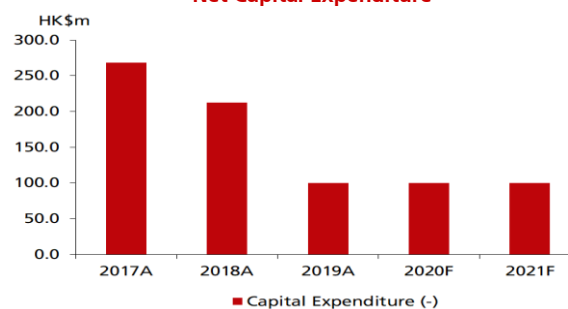
Company Background

Sino Land is engaged in property development and investment in Hong Kong and China. As of Jun-2019, Sino Land has development land bank of 9.3m sf in GFA, split into 4.3m sf in China and 5m sf in Hong Kong. It also owns an investment property and hotel portfolio of 11.9m sf in GFA, mainly in Hong Kong.

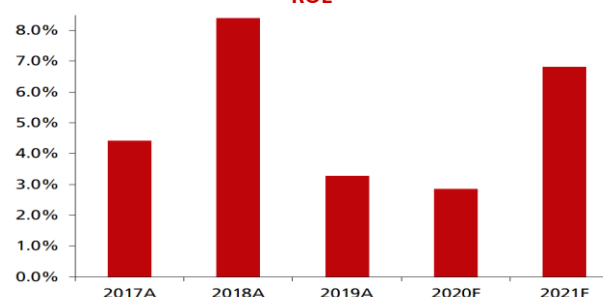
Gearing



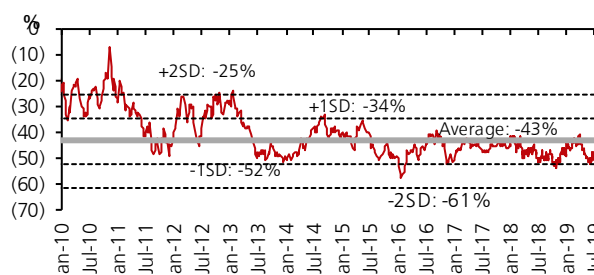
Net Capital Expenditure



ROE



Discount to NAV



Source: Company, DBS HK

Sino Land

Key Assumptions (%)

FY Jun	2020F	2021F
Residential price - HK	5	0
Office rental - HK	0	0
Retail rental (Shopping Centre) - HK	0	0

Source: DBS HK

Segmental Breakdown (HK\$ m)

FY Jun	2017A	2018A	2019A	2020F	2021F
Revenues (HK\$ m)					
Property sales	13,185	5,479	2,542	1,078	26,707
Property rental	3,069	3,186	3,327	3,411	3,451
Hotel operations	840	890	934	951	956
Property management and other services	1,122	1,079	1,098	1,131	1,164
Investments in securities	86	43	48	48	48
Financing	32	54	61	61	61
Total	18,334	10,730	8,010	6,680	32,387

Source: DBS HK

Income Statement (HK\$ m)

FY Jun	2017A	2018A	2019A	2020F	2021F
Turnover	18,334	10,730	8,010	6,680	32,387
EBITDA	7,372	10,993	3,700	2,943	11,138
Depr / Amort	(98)	(110)	(122)	(127)	(132)
EBIT	7,273	10,883	3,578	2,816	11,006
Associates Inc	1,003	1,275	1,003	1,360	698
Interest (Exp)/Inc	298	508	581	600	600
Exceptionals	0	197	172	0	0
Pre-tax Profit	8,574	12,862	5,334	4,775	12,304
Tax	(2,474)	(1,595)	(632)	(581)	(1,973)
Minority Interest	(573)	(20)	(31)	(30)	(29)
Underlying Profit	5,527	11,247	4,671	4,165	10,302
Sales Gth (%)	70	(41)	(25)	(17)	385
Net Profit Gth (%)	3	103	(58)	(11)	147
EBITDA Margins (%)	40	102	46	44	34
EBIT Margin (%)	40	101	45	42	34
Tax Rate (%)	29	12	12	12	16

Source: DBS HK

Sino Land

Balance Sheet (HK\$ m)

FY Jun	2017A	2018A	2019A	2020F	2021F
Fixed Assets	63,497	64,866	67,147	68,650	70,187
Other LT Assets	30,823	40,997	39,057	42,571	46,585
Cash & ST Invt	33,153	22,404	39,086	25,967	25,265
Other Current Assets	27,793	30,841	35,459	42,602	49,652
Total Assets	155,266	159,107	180,748	179,791	191,690
ST Debt	3,875	720	0	200	200
Creditors	4,535	5,944	4,967	5,017	5,067
Other Current Liab	11,640	5,468	20,418	20,418	20,418
LT Debt	2,046	1,656	5,027	1,827	5,827
Other LT Liabilities	3,844	4,878	4,174	4,174	4,174
Minority Interests	971	860	868	868	868
Shareholder's Equity	128,354	139,582	145,294	147,287	155,135
Total Cap. & Liab.	155,266	159,107	180,748	179,791	191,690
Share Capital (m)	6,316	6,603	6,603	6,603	6,603
Net Cash/(Debt)	27,221	20,018	34,047	23,929	19,227
Working Capital	40,896	41,113	49,159	42,934	49,232
Net Gearing (%)	CASH	CASH	CASH	CASH	CASH

Source: DBS HK

Cash Flow Statement (HK\$ m)

FY Jun	2017A	2018A	2019A	2020F	2021F
EBIT	7,273	10,883	3,578	2,816	11,006
Tax Paid	(1,566)	(1,568)	(632)	(581)	(1,973)
Depr/Amort	98	110	122	127	132
Chg in Wkg.Cap	(718)	(10,440)	9,513	(6,943)	(6,850)
Other Non-Cash	(217)	(6,861)	0	0	0
Operating CF	4,870	(7,876)	12,581	(4,581)	2,315
Net Capex	(269)	(213)	(100)	(100)	(100)
Assoc, MI, Invsmt	(4,660)	11,747	(1,705)	(1,454)	(2,616)
Investing CF	(4,929)	11,534	(1,805)	(1,554)	(2,716)
Net Chg in Debt	1,480	(3,552)	9,627	(3,000)	4,000
New Capital	(8)	(12)	0	0	0
Dividend	(1,503)	(2,468)	(3,538)	(3,733)	(4,051)
Other Financing CF	(565)	238	(135)	(250)	(250)
Financing CF	(595)	(5,794)	5,955	(6,983)	(301)
Chg in Cash	(654)	(2,136)	16,731	(13,118)	(702)

Source: DBS HK

Sino Land

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	29-Aug-18	HK\$13.12	HK\$14.70	Buy
2:	31-Aug-18	HK\$13.40	HK\$14.70	Buy
3:	28-Jan-19	HK\$14.22	HK\$15.70	Buy
4:	20-Feb-19	HK\$14.70	HK\$15.70	Buy
5:	1-Mar-19	HK\$14.62	HK\$15.82	Buy
6:	17-May-19	HK\$13.28	HK\$16.06	Buy
7:	17-Jul-19	HK\$13.14	HK\$15.06	Buy

Source: DBS HK

Analyst: Jeff YAU CFA,
Ian CHUI CFA,
Jason LAM

[^] Bloomberg ESG Disclosure Scores rate companies annually based on their disclosure of quantitative and policy-related ESG data. It is based on a scoring scale of 0-100, and calculated using a subset of more than 100 raw data points it collects on ESG. It is designed to measure the robustness of companies' disclosure of ESG information in their reporting/the public domain. Based on Bloomberg disclosures, as of 25 Jan 2019, the global ESG disclosure average score is 24.92 and 22.14, 28.26, 49.97 for Environmental, Social and Governance, respectively.

DBS HK 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: 30 Aug 2019 08:20:00 (HKT)

Dissemination Date: 30 Aug 2019 09:15:26 (HKT)

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

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), 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 HK.

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 HK, DBSV HK, DBSVS, 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.

DBS Vickers Securities (USA) Inc ("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, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in Sino Land Co Ltd (83 HK) recommended in this report as of 27 Aug 2019.
2. Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.
3. **Compensation for investment banking services:**
DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from China Overseas Land & Investment Ltd (688 HK) as of 31 Jul 2019.
4. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for China Overseas Land & Investment Ltd (688 HK) in the past 12 months, as of 31 Jul 2019.

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.
5. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA 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 in the first page of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA 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, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>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 Bank Ltd 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	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.
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 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd ("DBSVUK"). 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 DBSVUK, 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 DBSVUK. 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	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	This report was prepared by 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 Bank (Hong Kong) Limited13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

DBS Regional Research Offices
HONG KONG

DBS Bank (Hong Kong) Ltd
Contact: Carol Wu
 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

MALAYSIA

AllianceDBS Research Sdn Bhd
Contact: Wong Ming Tek (128540 U)
 19th Floor, Menara Multi-Purpose,
 Capital Square,
 8 Jalan Munshi Abdullah 50100
 Kuala Lumpur, Malaysia.
 Tel.: 603 2604 3333
 Fax: 603 2604 3921
 e-mail: general@alliancedbs.com

SINGAPORE

DBS Bank Ltd
Contact: Janice Chua
 12 Marina Boulevard,
 Marina Bay Financial Centre Tower 3
 Singapore 018982
 Tel: 65 6878 8888
 Fax: 65 65353 418
 e-mail: equityresearch@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: research@id.dbsvickers.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