NAM LONG INVESTMENT (NLG VN)

Resilient through the property downcycle

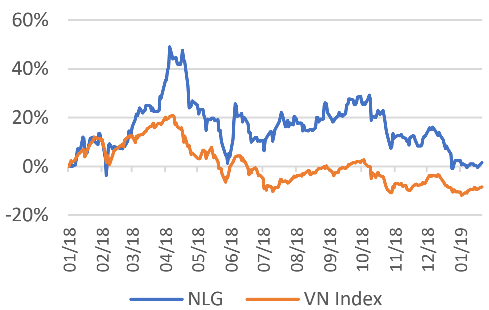
BUY

Current price (01/22/19): VND 25,600
Target price: VND 32,000
Upside: 25%

Our view: We believe that NLG will provide operational stability through a challenging property market in the years ahead. In our view, the Vietnamese real estate industry is in the process of adjusting to a sustainable product mix in which supply and demand will be focused on affordable and mid-end housing. Given NLG's ample supply in these segments, the company is well placed to benefit from real market demand. And unlike some players, NLG also offers a strong financial structure. We believe the market has failed to perceive the company's attractive position, leading to a valuation that we view as highly attractive. We thus initiate coverage with a BUY rating.

52-week Price Range	Market Capitalization	FY19E Dividend Yield	Remaining Foreign Room	Free-float	ADTV-3month
VND 24,300-37,600	**USD 268mn**	**1.8%**	**0.0%**	**60.7%**	**USD 0.4 mn**

Price performance



Catalysts

- **Strong financial structure**: low financial leverage and large cash position.
- **Cooperating with prestigious partners** to fund the firm's big projects.
- **Real demand**. Rather than targeting speculators / investors, NLG's sales are backed up by real and steady demand.

Risks to our call

- **Tightening credit environment**, which could be driven by both global CB decisions and specific SBV policies targeting the sector.
- **Regulatory risk**: Steady increases in real estate controls might impact sentiment, if not actual operations.

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Company profile: NLG is a real estate developer that is primarily focused on the affordable and mid-end product lines. NLG's main markets are Ho Chi Minh City and neighboring provinces such as Long An and Can Tho. In addition, the company has recently announced the acquisition of new land bank in Dong Nai.

Key metrics	2017A	2018F*	2019F*
Revenue growth (%)	25%	16%	-55%
NPAT growth (%)	95%	13%	-23%
GPM (%)	41%	39%	34%
Debt/Equity (x)	0.25	0.19	0.19
ROA (x)	10%	9%	8%
ROE (x)	20%	19%	13%

Source: NLG, Yuanta Research,
**Note: we assume that Mizuki Park, Akari City, and South Gate (Waterpoint) are not consolidated.*

Beneficiary of the burgeoning middle class. We believe that NLG's project location and pricing will continue to attract residential homebuyers in its core mid-end and affordable housing segments – which will continue to see steady demand for years driven by urbanization and growth of the middle class. Unlike high-end and luxury, we think that demand here should be only marginally affected by business cycle factors.

International partners benefit the brand. NLG's cooperation with partners such as Japan's Nishi Nippon Railroad and Hankyu Realty should help to build its brand value. These development partners offer deep experience in project management, urban planning, and apartment design. They also have secured financial resources to fund the firm's major projects, which reduces the operational risks.

Valuation is attractive. We believe that the value of assets and discounted project cash flows are a better measure of valuation rather than a myopic focus on forward revenue and profit growth. Our target price of VND 32,000/share is based on an RNAV approach.

Yuanta vs consensus. Our fair value estimate is 17% lower than the mean consensus target price. We believe that our peers are overestimating the value of the Waterpoint projects based on DCFs that assume strong take-up and on-schedule completion, whereas we have taken a more conservative approach that discounts C&W's valuation of these projects by 20%. However, we still see 25% upside for the shares, and we initiate with a BUY rating.

OUR VIEW:

The real estate market faces challenges in 2019, but we view NLG as well positioned to deliver value through an overall tough operating environment. We expect the sector's product structure to adjust to a more sustainable level, with supply and demand to focus on the affordable and mid-end segments. NLG should be able to maintain stable business operations given 1) its ability to supply the market with 1,460 affordable apartments and 11,357 mid-end apartments, which are products that have strong real demand, and 2) its financial structure, which is strong relative to the overall sector.

We believe that the market valuation has penalized NLG due to a negative view on the entire (and admittedly risky) real estate sector, and by doing so has misjudged its potential and overly discounted its actual investment risks. We thus see the current share price as attractive, and we initiate on NLG with a BUY recommendation and target price of **VND 32,000/share.**

VALUATION IS ATTRACTIVE

Our view is that the value of a real estate developer such as NLG depends on the value of its assets and discounted project cash flows rather than forward-year revenue and profit growth. We believe that most institutional investors would agree. This puts us at odds with Vietnamese retail investors, who tend to maintain a rather myopic focus on short-term topline and bottom line growth. Retail investors dominate the Vietnamese stock markets, but the resulting market inefficiencies often offer opportunities for institutional investors. We believe that NLG VN is currently a case in point.

We apply an RNAV method to evaluate most of Nam Long's various projects. However, for the critical Waterpoint projects, we apply a market value method in which we apply a 20% discount to the per-square-meter land price estimate from Cushman & Wakefield. We apply the 20% discount to be prudent. We believe that our valuation approach for the Waterpoint projects is a differentiating factor with our peers on the Street, who appear to be applying a more optimistic valuation than ours.

Despite what we think is a conservative view on Waterpoint, our RNAV valuation approach results in a fair value and target price for NLG of **VND 32,000/share**, which is 25% higher than the closing price of January 22, 2019.

Figure 1: Valuation summary

PROJECT	VALUATION APPROACH	OWNERSHIP RATE	DEVELOPMENT NPV (mn VND)	EFFECTIVE NPV (mn VND)
Southgate - Waterpoint	MV	50%	2,310,000	924,000
Waterpoint phase 2	MV	100%	2,660,000	2,128,000
Ehomes NSG	DCF	87%	358,372	311,784
NS-Valora Island	DCF	87%	32,970	28,684
Mizuki Flora	DCF	50%	2,181,195	1,090,597
Mizuki Valora	DCF	50%	371,308	185,654
Akari City	DCF	50%	2,087,184	1,043,592
Novia	DCF	100%	240,860	240,860
Others	BV	100%	286,260	286,260
TOTAL DEVELOPMENT NPV				**6,239,431**
		(+) Cash and cash equivalents		2,383,605
		(+) Short-term investments		63,552
		(-) Total debt		1,043,961
		NAV		**7,642,597**
		Current outstanding shares (million)		239
		TARGET PRICE (VND)		**32,000**

Source: Yuanta Research

TIGHTENING LIQUIDITY TO CHALLENGE THE INDUSTRY

We see two main reasons for interest rate pressure in 2019: 1) prudential regulation on credit expansion to the property market and potentially 2) the need to maintain VND stability.

SBV prudential regulations are reducing the flows of bank credit to property developers…

Tight credit policies: Since the real estate market recovery starting at the end of 2013, the State Bank of Vietnam (SBV) has gradually moved to control financial flows into the market through prudential measures on commercial banks. These controls are set to continue in 2019, with the ratio of short-term funds for long-term loans being cut to 40% and bank risk weightings for commercial real estate loans increasing to 250%. When coupled with the adoption of Basel II standards, these regulations will force commercial banks to limit growth of their exposure to real estate development.

Figure 2: Recent prudential tightening measures by the SBV

	2017	2018	2019
Cap on short-term funding for long-term loans	50%	45%	40%
Risk weightings for commercial real estate loans	200%	200%	250%
10 Commercial banks must meet Basel II standards by 2020			

Source: Circular number 36/2014/TT-NHNN, 06/2016/TT-NHNN, 19/2017/TT-NHNN, Yuanta Research.

In addition, recent media reports have cited the SBV's deputy governor as saying that the central bank is directing commercial banks to focus their lending on manufacturing and to strictly control credit flows into real estate and securities margin.

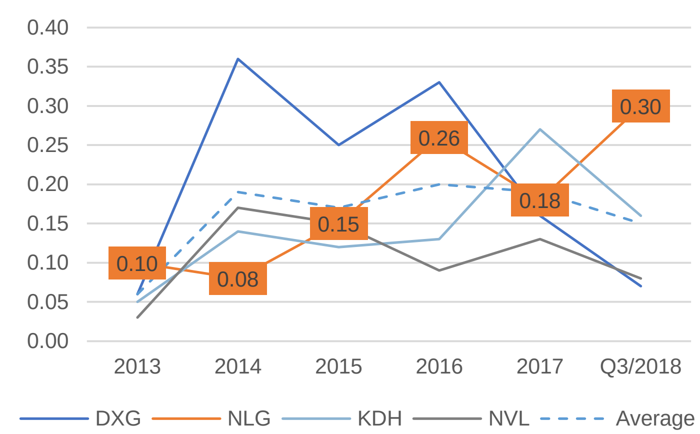
… and SBV's need to maintain VND stability may necessitate higher overall VND rates too.

Exchange rate management: Currently the SBV's foreign exchange reserves are only equivalent to three months of imports. In order to manage the exchange rate, SBV may be forced to tighten by decreasing VND liquidity and raising VND deposit rates instead of selling USD to commercial banks as they did in 2018.

Clearly this is not an optimal environment for levering up if you are a real estate developer. We believe that real estate developers with relatively low debt ratios and high levels of cash & cash equivalents should be able to maintain stable business operations and thus Outperform the sector.

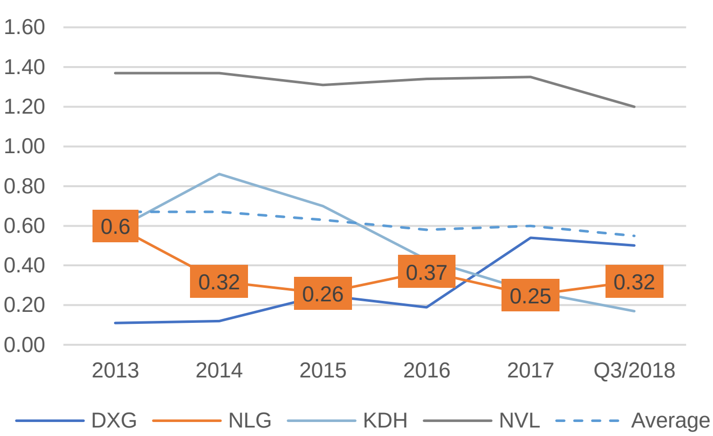
NLG is a case in point, in our view, given its CCE/Assets ratio of 0.30x and D/E ratio of 0.32x, both of which are superior to major sector peers.

Figure 3: CCE / Total Asset ratio vs peers



Source: Yuanta Research

Figure 4: Debt / Equity ratio vs peers



Source: Yuanta Research

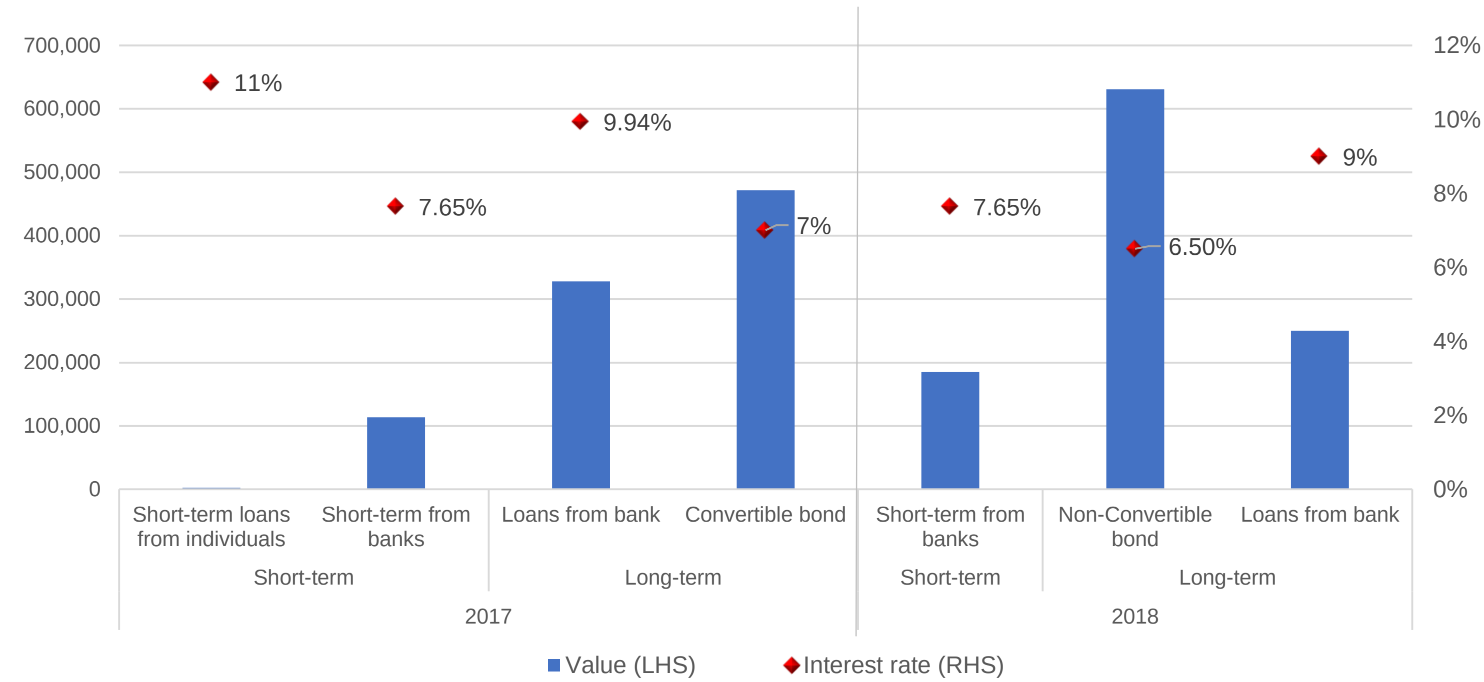
But NLG's financial strength means that it is well-prepared to outperform in this environment.

Overall, NLG has a safe financial structure, with low financial leverage and plenty of cash on the balance sheet.

NLG's D/E ratio is low relative to major real estate peers. This is partially the result of NLG's cooperation with partners such as Hankyu Hanshin Properties and Nishi-Nippon Railroad, who provide strong financial resources to carry out big projects. The experience of these international partners also supports NLG in project management, design, and implementation.

In addition, good branding and high quality means that NLG's projects normally enjoy post-launch take-up rates of higher than 80%. Such high early take-up rates generate plenty of funds for project implementation, so the company does not have to raise debt (or equity) on its own.

Figure 5: NLG's debt structure



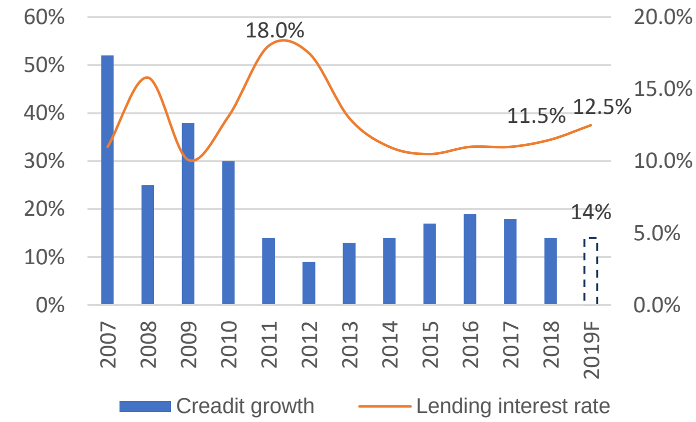
Source: NLG, Yuanta Research

Despite tighter credit policies for the industry, NLG's overall debt is both cheaper and longer tenor than it was a year ago.

In 2018, NLG also restructured its debt, which has reduced its overall cost of debt. Critically, NLG's VND 630bn in non-convertible bonds expiring on 19/6/2025 now account for 59% of total debt. These bonds bear interest rates of just 6.5% per annum. By contrast, long-term lending rates at commercial banks currently range from 9% to 12% per year, in part due to the prudential measures discussed above. We therefore believe that NLG has a very solid financial foundation for stable operations in the next several years.

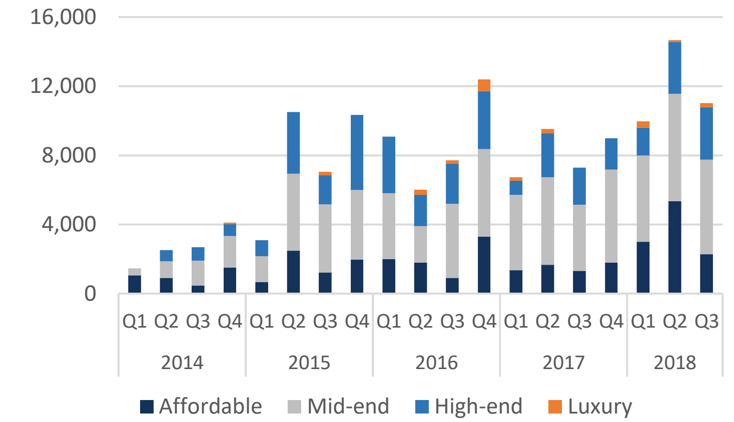
REAL AND STEADY DEMAND FOR NLG's PRODUCTS

Figure 6: Credit growth and lending interest rate



Source: SBV, Yuanta Research

Figure 7: Condominium units sold by segment



Source: Colliers International Research, Yuanta Research

Cash position is also strong. Faced with the current industry challenges and low cash positions, some of NLG's peers are engaged in collection efforts to cover debts due in 2019. By contrast, NLG is holding a large amount of cash. We think that such a large cash position makes sense in the current tight liquidity environment because it gives NLG the financial flexibility to proactively seize business opportunities, including increasing its land bank, that many of its peers lack.

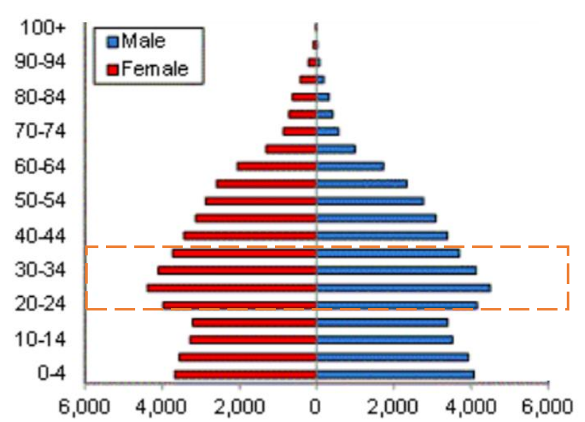
Transaction volumes will continue to decline overall, but will focus on the affordable and mid-end housing segments.

Affordable and mid-end are set to enjoy high demand from residential buyers for years.

Based on our expectation for tightening liquidity, we believe that overall transaction volumes will continue to decline in 2019. This is because tightened credit access and higher borrowing costs are likely to motivate speculators to withdraw from the high-end and luxury segments. While some speculative buying might shift to mid-end and affordable housing, we believe the crucial driver of demand in these segments will be residential homebuyers (i.e., real demand as opposed to speculative demand).

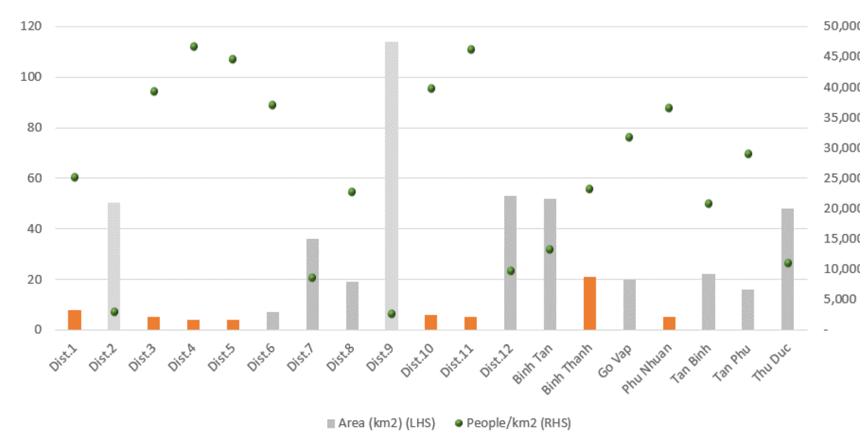
According to Colliers International Research, the affordable and mid-end segments experienced the highest demand during the real estate recovery phase of 2014-2018. We expect this trend to continue in the coming years driven by urbanization, new household formation, and the continued growth of Vietnam's burgeoning middle class.

Figure 8: Vietnam Population Pyramid in 2017



Source: World Bank, UN, Fitch Solutions

Figure 9: Area, population density in HCM city



Source: GSO, Yuanta Research, Note: Orange columns are central districts, where the population density figure would be much higher if we only included residential land.

Figure 10: Demographics of HCM City

Area: 2,095 km² accounting for 0.63% of the country's land area

Population: more than 13mn people accounting for 13.6% of the nation's population.

Population density: estimated 6,205 people/km2 (national population density is 311 people/km2

Source: GSO, Yuanta Research

NLG has positioned itself to benefit from this crucial and long-term market trend

Real demand is huge. It's hard to argue against Vietnam's demographics. The population of more than 96mn ranks 15th globally. Vietnamese aged 20-44 represent the largest single population group and tend to concentrate in large urban areas. Therefore, the demand for housing in these urban areas is huge.

As anyone who has ever been here can testify, Ho Chi Minh City's central districts have been experiencing substantial population pressure for many years. But HCM City's population growth continues at about 2.5% per year (about 250,000 people, mainly of working age, every year). Obviously this large influx of relatively young working people creates considerable housing demand. According to the HCMC Real Estate Association, demand for affordable and mid-end housing units from HCMC residents far exceeds the current supply.

NLG should be a beneficiary of these trends given its plans to launch 4,000 affordable apartments (i.e., the Ehome product line) and over 11,000 mid-end apartments (i.e., the Flora product line) during 2019-2021. We therefore view NLG as a proxy on Vietnam's strong and stable demographic trends given its ability to supply housing units that will continue to experience steady real demand regardless of the overall property market cycle.

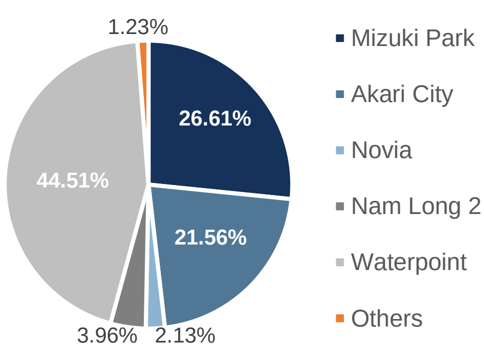
NLG'S PRODUCT PIPELINE: THREE MAJOR PROJECTS

Figure 11: Pipeline of NLG's major development projects

Project	Area	Launch Time	Units	Sales value (USD mn)*	Ownership	2017	2018	2019	2020	2021	2022
Kikyo Residence	4.0	Q1/2017	3,400	17.8	50%						
Fuji Residence	5.6	Q1/2016	880	5.6	50%						
Dalia Garden	15.4	Q1/2016	663	23	75%						
Valora Island		Q3/2017	44	13	87%						
Ehomes NSG	37.4	Q4/2017	1,460	50	87%						
Mizuki Flora		Q4/2017	5,227	428	50%						
Mizuki Valora		Q3/2017	173	47	50%						
Akari Flora	8.8	Q2/2019	5,229	436	50%						
Flora Novia	1.1	Q3/2018	684	43	100%						
South Gate (Waterpoint)	165	Q2/2019	3,035	(a)	50%						
Waterpoint phase 2	190			(b)	100%						

*Source: NLG, Yuanta Research. Note: * estimated by NLG; (a)+(b)= 900*

Figure 12: Proportion of project value*



Source: NLG, Yuanta Research
**Note: By Gross Development Value*

In our view, NLG's business performance in the next few years depends mostly on three projects: Mizuki Park (26.61%), Akari City (21.56%) and Waterpoint (44.51%). NLG has transferred a part of all three projects to its foreign partners with whom it is jointly developing the projects.

Mizuki Park: After establishing a joint venture in 2018 and transferring 50% of the project to Hankyu Realty and Nishi Nippon Railroad, NLG opened roughly 16% of the project's total value (Mizuki Flora Park 1, 2, 3, 4, and 5) for sale with a take-up rate of more than 80% at the end of 2018. We expect NLG to hand over the completed units in 2Q20.

Akari City: In 2018, NLG also signed business cooperation contracts with two Japanese partners (Nishi-Nippon Railroad and Hankyu Realty) in which NLG agreed to sell 50% of its shares in the Akari City project. We expect sales from the project transfer to be VND 385bn in 2018E and VND 165bn in 2019E.

Despite a delayed launch of the initial Akari City project units, the booking rate was still over 80% as at 3Q18A. NLG management says that the firm will officially lauch another c. 1000 units (~22% of the total project value) in 2Q-3Q19E.

South Gate (Waterpoint): NLG, Nishi Nippon Railroad, TBS, and Tan Hiep have contributed 50%, 35%, 10%, and 5%, respectively, of the funding to implement Phase 1 of the Waterpoint project. Total invested capital will be 300 million USD. The project is expected to be opened for sales in 2Q19. In Phase 1, NLG will only offer land lots and townhouses for sale. Apartments will be available for purchase starting in Phase 2. We consider this sales strategy to be suitable for the market because 1) buyers still prefer to purchase land lots rather than apartments, largely for speculative/investment purposes but also some residential buyers, and 2) selling the initial land lots and townhouses will support the project's internal facilities and thus attract buyers to subsequent apartment launches. We expect NLG to book VND 791.5bn in 2018E sales and VND 258.5bn in 2019E sales from this project.

NLG'S PROJECT LOCATIONS ARE ATTRACTIVE.

Figure 13: Location of NLG's projects

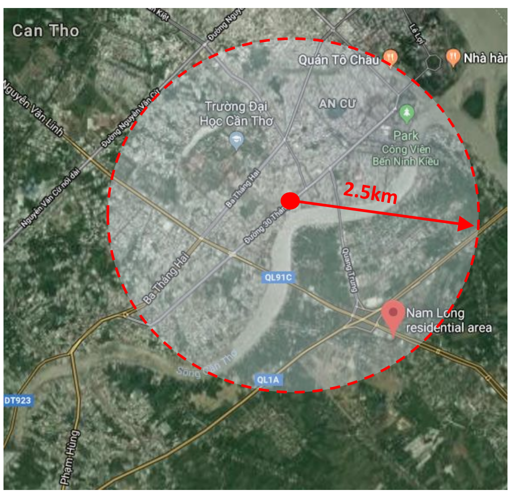
Source: NLG,Yuanta Research

The Western Area is the gateway between Ho Chi Minh City and the southwestern provinces. In particular, the Metro line (Ben Thanh-Tham Luong; Nguyen Van Linh Boulevard - Ben Cat Bridge - Thanh Xuan) will facilitate connectivity from the eastern to western areas of HCM City, as well as from the western area to the inner city. NLG currently has two projects under development in this area: Mizuki Park and Akari City. These relatively affordable projects are about 25 minutes by car and less than 12 km from the city center. We expect these projects to run in line with NLG's planned schedule.

The Eastern Area is where most of HCMC's infrastructure investment has been focused during the current decade. Traffic projects such as Mai Chi Tho Avenue, Thu Thiem Tunnel, Cat Lai Bridge, Long Thanh Highway, and the Hanoi Highway have changed the face of this area and increased its attractiveness for both domestic and foreign investors. NLG's Flora Novia project is located in this area and has received considerable attention from homebuyers. In our view, Phase 2 of this project is likely to be sold out quickly and to get higher 90% take-up rate on launching day.

Connective infrastructure with HCM City will attractive attention to the Waterpoint project in Ben Luc (Long An), a satellite city of HCMC. Waterpoint is NLG's focal project in Ben Luc, and we believe that its take-up rate will depend on infrastructure connections with HCMC as well as local economic factors. Overall, suburban areas' connective infrastructure is crucial for attracting investment. However, we believe that Street estimates for the valuation of Waterpoint are already assuming that project will have high take-up rates and will be completed on time, which seems aggressive to us given that 1) the local population density is not particularly high vs other areas of HCMC, 2) social infrastructure (e.g., education and health facilities) has not yet been completed in full and 3) industrial parks there are still under construction. In addition, we also believe that Ben Luc's local-factor potential is almost entirely reliant on industrial zone development.

Figure 14: NLG's project in Can Tho



Source: Google Maps, Yuanta Research

Can Tho is Vietnam's fourth largest city by population and 5th largest by economic size. The city aims to develop into a key economic zone of the Mekong River Delta and a gateway to the lower reaches of the Mekong. The government also has [planned?] traffic projects to connect Can Tho with HCMC, which should benefit the property market here.

According to the Vietnam Association of Realtors land lots in central Can Tho saw significant increases in transaction volumes in 2017-18 and prices increased by 40-50% in the same period. However, speculators have withdrawn from the market starting from mid-2018. We see the slowdown in speculation as a positive signal for sustainable property market development in the area. We believe that projects that are conveniently located with central district transportation links will continue to attract homebuyers in line with Can Tho's economic development, industrialization, and urbanization.

NLG currently has two projects in Can Tho: Nam Long 2 (43ha) and Dalia Garden (15.3ha). The travel time and distance from these two projects to the city center are roughly 10 minutes or 2.5km. With such easy connectivity to the city center, we believe that NLG's project sales in Can Tho should be stable.

RISKS TO OUR CALL

- **Liquidity risks: Tightened credit policies**

  SBV policy to contain the real estate market is a risk across the sector. NLG's solid sources of financing and cash-heavy balance sheet should limit its specific risk to tighter policies. However, the stock has been tarred with the same broad brush as what investors have applied to its peers, who are more at risk to financing concerns. While we see this as an opportunity for investors who do their homework, the share price weakness that has resulted from this overhang could persist. But from an operational perspective, the risk of credit tightening is perhaps more focused on demand factors, as homebuyers might decide to defer purchases because of their costs if buyer interest rates rise substantially.

- **Legal risks: Government agencies have been increasing their controls over the real estate industry.**

  Since 2017, government agencies have been increasing legal controls over the real estate industry, which has lengthened the time required to obtain project implementation licenses. To our knowledge, among NLG's various projects, only Akari has been affected by these controls. NLG had to delay the launch of three Akari City blocks from the originally planned 3Q18A to 2Q19E. Although this is certainly a concern, we believe that the legal risks facing NLG should be less severe than that of property developers whose land bank was acquired from SOE mergers.

INCOME STATEMENT (VND'bn)	2017A	2018E*	2019E*
Net sales	**3,161**	**3,652**	**1,628**
Cost of sales	(1,866)	(2,233)	(1,047)
Gross Profit	**1,295**	**1,418**	**581**
Selling expenses	(219)	(201)	(90)
General and admin expenses	(195)	(224)	(100)
Operating profit/(loss)	**881**	**993**	**391**
Financial income	95	131	178
Financial expenses	(29)	(80)	(89)
Gain/(loss) from joint ventures	(3)	0	331
Net other income/(expenses)	6	8	4
Profit/(loss) before tax	**950**	**1,052**	**815**
Income tax expenses	(194)	-	-
Net profit/(loss) after tax	**756**	**1,052**	**815**
Minority interests	221	132	88
Attributable to parent company	**535**	**920**	**726**
EPS bacis reported, VND	3,622	2,966	2,129
EPS fully dilited, VND	3,131	2,730	1,936

FINANCIAL RATIO	2017A	2018E*	2019E*
Growth (%)			
Revenue, growth	25%	16%	-55%
Operating Income, growth	84%	13%	-61%
PBT, growth	96%	11%	-23%
EPS, growth			
Total Assets, growth	27%	26%	1%
Equity, growth	162%	48%	15%
Profitability (%)			
Gross Profit Margin	41%	39%	36%
Operating Profit Margin	28%	27%	24%
Net Margin	15%	24%	29%
ROE	20%	19%	13%
ROA	10%	11%	8%
Efficiency (x)			
Receivable Turnover	3.78	3.03	1.03
Inventory Turnover	0.49	0.61	0.30
Payable Turnover	1.56	1.67	1.21
Liquidity (x)			
Current ratio	2.21	2.75	4.72
Quick Ratio	0.95	1.57	2.57
Financial Structure (x)			
Total liabilities/Equity	1.12	0.80	0.58
Total liabilities/Total Assets	0.53	0.45	0.37

BALANCE SHEET (VND'bn)	2017A	2018E*	2019E*
Total assets	**7,906**	**9,941**	**9,999**
Current Assets	**6,779**	**7,862**	**8,072**
Cash & cash equivalents	2,082	2,384	2,925
ST Investment	60	64	67
Accounts receivable	579	1,830	1,321
Inventories	3,884	3,384	3,670
Other current assets	173	200	89
Long-term Assets	**1,127**	**2,079**	**1,927**
Net fixed assets	56	60	65
LT Investment	755	1,673	1,673
LT assets other	315	345	189
Total Resources	**7,906**	**9,941**	**9,999**
Total Liabilities	**4,183**	**4,426**	**3,684**
Accounts payable	291	387	171
ST debts	216	288	339
Other ST liabilities	2,553	2,180	1,201
Long term debt	229	756	816
Other LT debt	894	815	1,156
Shareholder's equity	**3,723**	**5,515**	**6,316**
Paid in capital	1,572	2,391	2,674
Share premium	492	743	743
Retained earnings	864	1,454	1,884
Other equity	(8)	(8)	(8)
Minority interest	803	934	1,023

CASH FLOW (VND'bn)	2017A	2018E*	2019E*
Begin cash of the year	**932**	**2,082**	**2,384**
Net profit before tax	**950**	**1,052**	**815**
Adjustments	(51)	84	93
Change in Working Capital	1,362	(1,344)	(1,108)
Cash from Operations	**2,261**	**(208)**	**(201)**
Capital Expenditures	(36)	(120)	484
Investments	(751)	(921)	(3)
Cash from investments	**(786)**	**(1,041)**	**482**
Divident Paid	(123)	(120)	(134)
Proceeds from issue of shares	58	1,070	283
Proceeds from borrowings	(259)	599	112
Cash from financing	**(324)**	**1,550**	**261**
Net change in Cash	**1,151**	**302**	**542**
Ending cash balance	**2,082**	**2,384**	**1,356**

*Source: NLG, Yuanta Research. *Note: We assume that Mizuki Park, Akari City, South Gate (Waterpoint) are not consolidated*

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

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Ratings	Expected return within the next 12 months
BUY	Above 20%
HOLD	Between -20% to +20%
SELL	Below 20%

BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.
HOLD-Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.
HOLD-Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.
SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.
Under Review: We actively follow the company, although our estimates, rating and target price are under review.
Restricted: The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

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