



Janeman Latul

janeman.latul@cls.com
+62 21 2554 8830

6 January 2017

Indonesia Hotels & Leisure

Still growing strong

Strong US dollar, infra development to help tourism sector

Very supportive government policies, including tourism-focused infrastructure development and a US\$350m marketing budget, helped Indonesia attract more than 10m foreign visitors in 2016. We expect this will continue to support a similar growth trend in 2017 and Indonesia should be able to attract 14m visitors by 2019, a 10% 3-year Cagr. China is expected to be the main market. A likely beneficiary will be one of Indonesia's largest travel services firms, Panorama Sentrawisata (PANR).

2016: A record-breaking year for foreign tourist arrivals

- Indonesia's foreign visitors are set to break the 10m mark in 2016, a 7% 5-year Cagr, as Jan-Nov data already shows 9.8m visitors.
- 3Q16 posted a 15% growth rate YoY on foreign visitor volumes as well as a 15% increase QoQ on the back of a strong increase in Chinese tourists.
- Bali remains the top tourism destination, attracting 45% of total foreign visitors.

2017: Set for another strong year

- We expect Indonesia will be able to attract 14.2m visitors by 2019, a 10% 3-year Cagr, which is achievable given the current growth trend.
- The government has said that China tourists will be the priority as China tourists were the biggest group of foreign visitors by country in 2016, eclipsing Singapore and Malaysia.
- Indonesia expects to attract 2-2.5m China tourists in 2017, which is a tiny percentage of the total China outbound ex HK/Macau in 2016 at 120-130m.

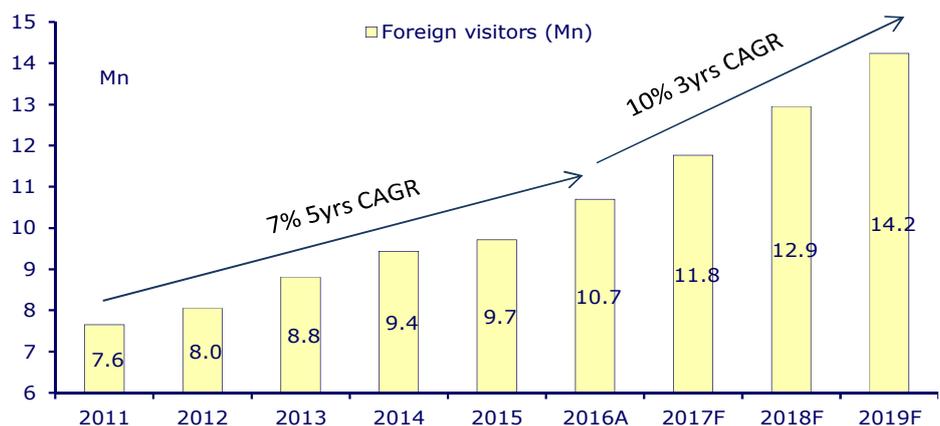
Supportive policies: Infra development and promo budget

- The Government of Indonesia's 2017 tourism budget is relatively flat vs 2016 at Rp5.7tn, meaning a big budget of \$350m for marketing is still similar to 2016.
- Indonesia is pushing for more participation in travel fairs, with digital advertisements as it promotes the top-10 Indonesia destinations in focus for 2017.
- In 2016, the government has been building 15 new airports, with some closer to tourism destinations, as well as renovating 34 existing airports.

Key beneficiaries: Travel services firms

- Tourism is now just 3% of Indonesian GDP, a tiny sector compared to Thailand at 9% of GDP or Malaysia at 7.2% of GDP. The upside is enormous and we expect the tourism sector to continue to blossom.
- We see travel services firms such as Panorama Sentrawisata (PANR IJ) as the likely direct beneficiaries of higher foreign tourist arrivals. Panorama Sentrawisata is now trading at 9.8x 2017 PE (consensus estimates), relatively cheap vs regional peers.

Foreign visitors are expected to grow to 14m by 2019 (10% 3-year Cagr)

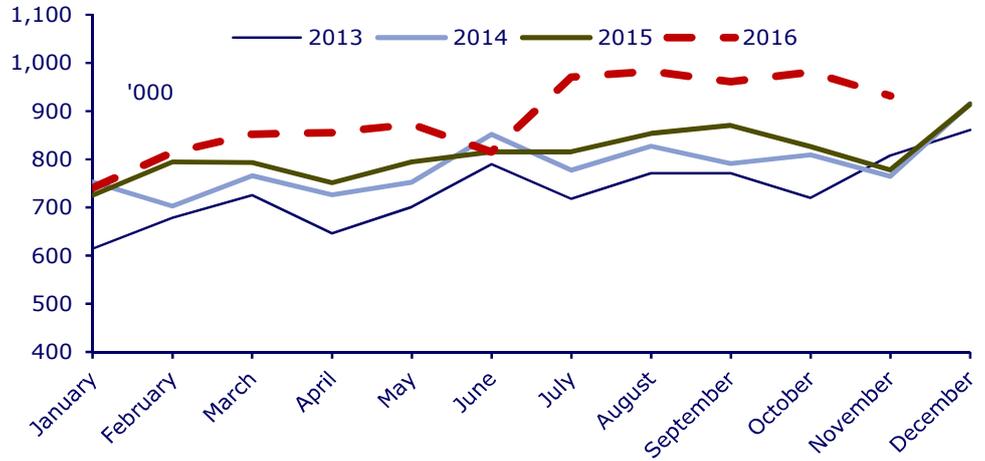


Source: CLSA, BPS, Ministry of Tourism

2016: A record-breaking year

Figure 1

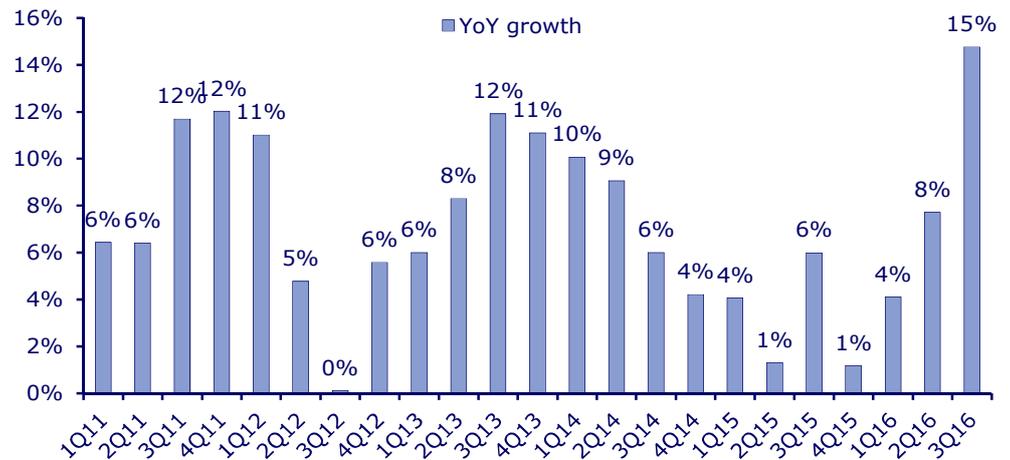
Indonesia is on target to host more than 10mn foreign visitors for the first time



Source: Central Bureau Statistics (BPS), CLSA

Figure 2

Indonesia tourism posted 15% YoY quarterly growth in 3Q16



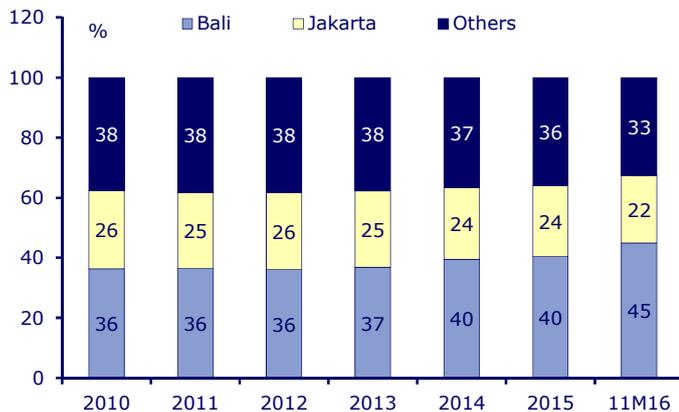
Source: Central Bureau Statistics (BPS), CLSA

Indonesia is set to break 10m foreign visitors in 2016 as Jan-Nov period already reached 9.8m

3Q16 posted the strongest quarterly growth in the last 23 quarters

Figure 3

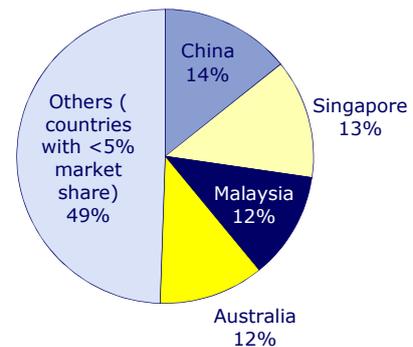
Bali remains the top destination for foreign visitors



Source: Central Bureau Statistics (BPS), CLSA

Figure 4

Market share of foreign visitors by country – 10M16



Source: CLSA, BPS

Better infrastructure, more options of tourism destinations to boost foreign tourist arrivals

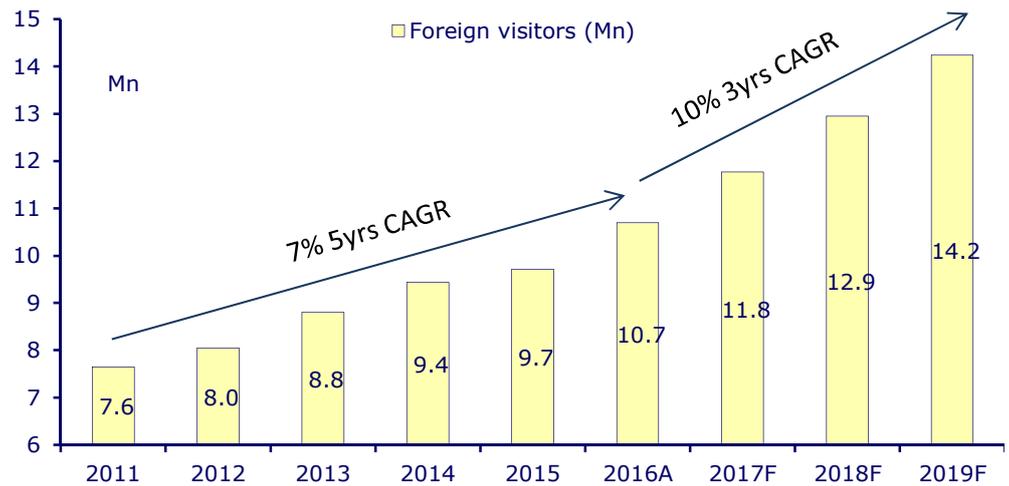
China has overtaken Singapore, Malaysia as the top country for Indo tourism market

2017: Set for another strong year

We believe 2016's strong volume growth is only just the beginning of multi-year rapid growth. Between 2016 and 2019, we expect foreign visitor growth to be at 10% pa, from only 7% pa between 2011 and 2016.

Figure 5

Foreign visitors are expected to grow to 14m by 2019 (10% 3-year Cagr)



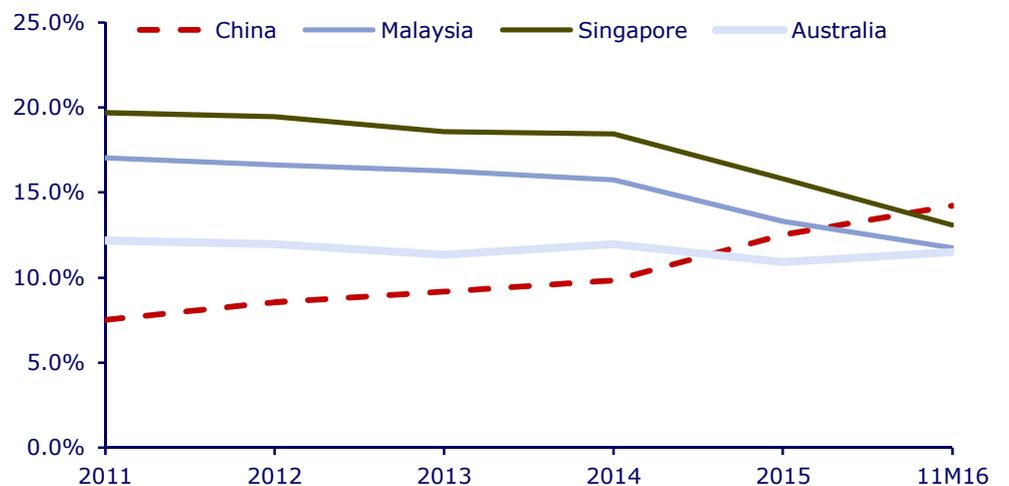
Source: CLSA, BPS, Ministry of Tourism

Our assumption is still reasonable and lower than the government's target of reaching 20m foreign visitors by 2019 or 23% pa visitor growth between 2016 and 2019. Our assumption is based on gradual improvement of infrastructure and other tourism facilities (hotels and other accommodations).

Two key reasons why we believe Indonesia tourism market will be able to attract 14m foreign visitors by 2019: **1) the strong growth of China visitors** and **2) very supportive government policies** (free visa, tourism-focused infra development and strong marketing & promotion campaign).

Figure 6

Top 4 countries with biggest market share of foreign visitors to Indonesia



Source: CLSA, BPS

China tourists to Indonesia grew 19% pa over the last five years

Figure 7

China is rising as the top market for Indonesian tourism



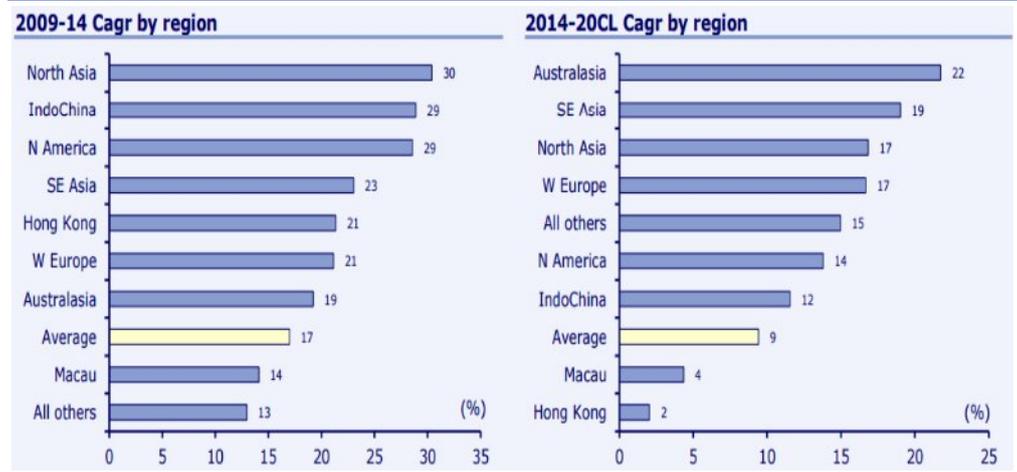
Source: CLSA, BPS

Our CLSA's China tourism team expects China outbound tourists to reach 200m by 2020, with the majority of them traveling outside China/HK/Macau, from the current at about 130-140m tourists.

Over the next few years, the Southeast Asia market is expected to be the No.2 market for potential Chinese tourist growth.

Figure 8

Southeast Asia is expected to be No.2 choice for China tourists from now to 2020

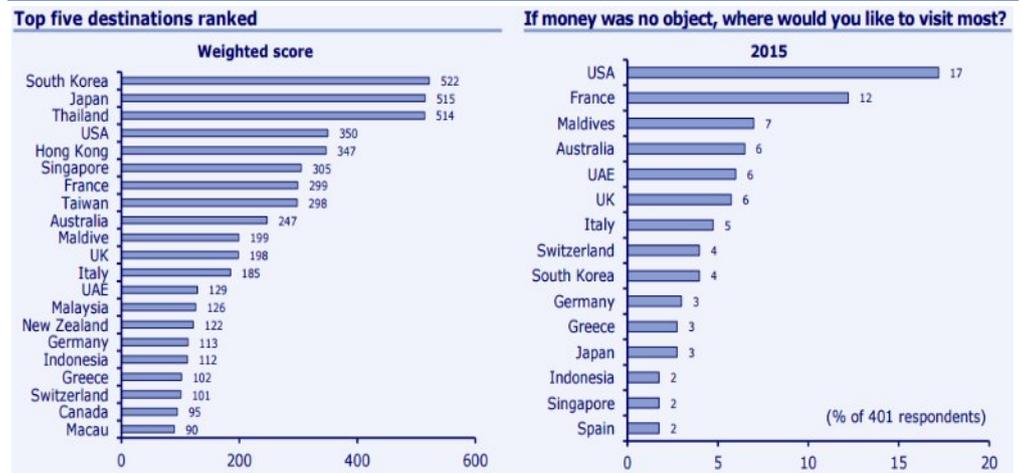


Source: CLSA, Euromonitor, CEIC

According to our CRR survey, Indonesia is still trailing its ASEAN peers, Thailand, Singapore and Malaysia as top destinations for Chinese tourists but one of the survey's questions also shows that if money was no object, Indonesia ranked the highest in the ASEAN market. This certainly shows the potential of a big market for Indonesia.

Figure 9

Indonesia still ranks low among destinations but China tourists started to notice

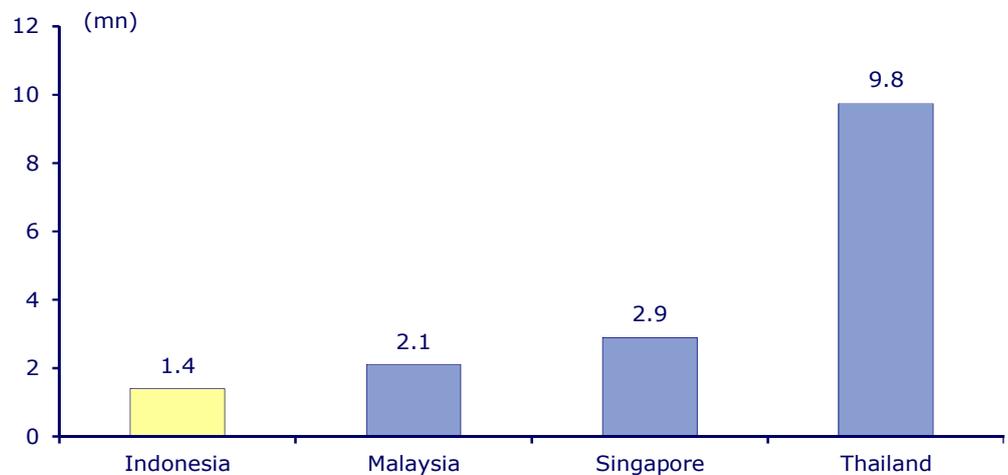


Note: For the weighted score, the number one destination scores five, the number two scores four, etc. The result represents the total scores added together. Source: CRR

Presently, Indonesia still lags behind Singapore, Thailand and Malaysia in attracting Chinese tourists.

Figure 10

Indonesia still trails its ASEAN peers in attracting China Tourists – 2016



Note: The numbers are all annualized. Source: Indonesia’s tourism ministry, Singapore Tourism Board, Malaysia Tourism Board, Thailand Tourism Board.

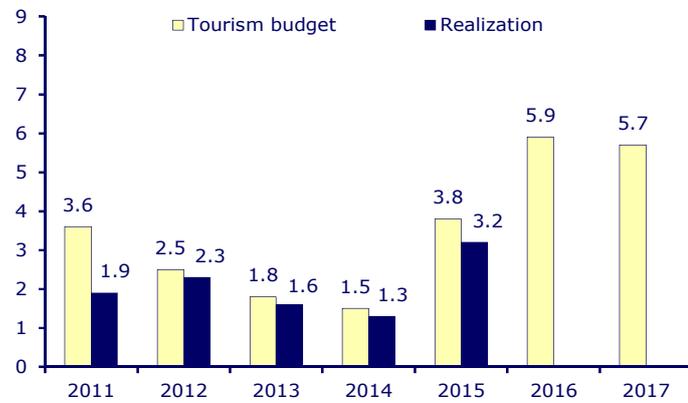
Supportive government policies

As we have highlighted previously, the Jokowi administration is focusing on tourism as one of the ‘lower-hanging fruits’ sectors to boost the economy over the next few years.

The government increased the tourism budget by 153% in 2015 and increased it again by 55% in 2016 to Rp5.9tn. For 2017, the budget is relatively flat (-3% YoY) but the promotional budget remains at about \$350m per year. This is important given marketing and promotion is needed to attract foreign tourists to Indonesia.

Figure 11

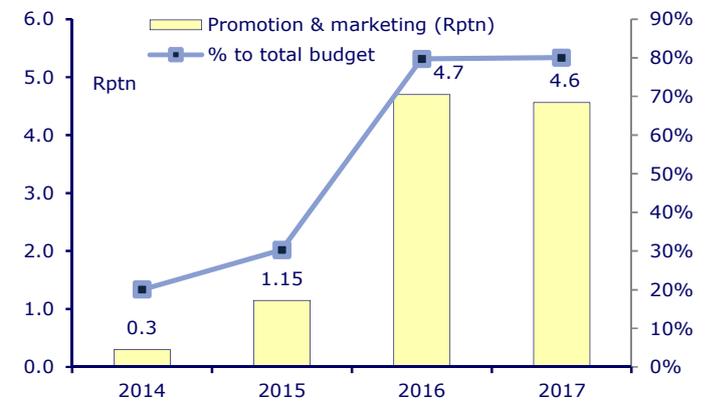
2017's tourism budget is relatively flat



Source: Ministry of Finance, CLSA

Figure 12

That means promotional budget remains high



Source: CLSA, Ministry of Tourism



China is one of the key markets where Indonesia has been promoting aggressively over the last year. Indonesia helped launched **Discovery Indonesia**, which was written in Mandarin by CCTV reporter Dou Yun Yun, during the event as well as doing a tourism campaign via Ximalaya, a popular online reading platform in China.

Figure 13

Cover of Discovery Indonesia by Dou Yun Yun



Source: Global Times

Figure 14

The launching of Discovery Indonesia in Shanghai



Source: Global Times

Figure 15

Jokowi promotes Indonesia tourism in Shanghai



Source: Government of Indonesia

Figure 16

Ximalaya.com is a partner for Indo tourism in China



Source: Ximalaya.com

The Ministry of Tourism has also set 10 top destinations to visit in Indonesia outside Bali, which will be the main focus for marketing and promotion in 2017.

Figure 17

Toba Lake, North Sumatera



Source: Government of Indonesia

Figure 18

Tanjung Lesung, Banten



Figure 19

Thousand islands, Jakarta



Figure 20

Borobudur, Central Java



Source: Government of Indonesia

Figure 21

Bromo, Semeru – East Java



Figure 22

Mandalika, Lombok



Figure 23

Labuan Bajo, Flores



Source: Government of Indonesia

Figure 24

Wakatobi, Southeast Sulawesi



Figure 25

Morotai, North Maluku



Figure 26

Belitung, Riau Islands



Source: Government of Indonesia

Figure 27

Bali remains the top tourism destination in Indonesia



Source: Government of Indonesia

To support such efforts by the Ministry of Tourism, the government also continued to build tourism-focused infrastructure, including airports, seaports and access roads to tourism destinations across Indonesia in 2016.

Airports are the key infrastructure for the tourism sector as Indonesia is an archipelago country, which requires air transportation to travel across the country.

Figure 28

15 new airports under development or completed in 2016

New Airports	Location	Remarks
Anambas	Riau Islands	Operational in Dec 2016
Tambelan	Riau Islands	Operational in 1Q17
Tebelian	West Kalimantan	Operational in 3Q16
Enggano	Bengkulu	Operational in 4Q16
Miangas	North Sulawesi	Operational in 4Q16
Morowali	Central Sulawesi	Operational in 2Q17
Buntu Kunik	South Sulawesi	Expected completion in 2018
Kufar	Maluku	Operational in 3Q16
Namniwel	Maluku	Operational 1Q17
Pantar	East Nusa Tenggara	Operational 1Q17
Moa	Maluku	Operational 2Q17
Segun	Papua	Operational 2Q16
Sinak	Papua	Operational in 3Q17
Koroway	Papua	Operational in 3Q17
Wangi Wangi	Southeast Sulawesi	Operational in 2Q16

Source: Ministry of Transportation

On top of the 15 new airports, the Ministry of Transportation is completing renovation of passenger terminals for 12 airports and runway extension work for at least 22 airports across Indonesia.

Lastly, Indonesia government policy to allow free tourist visas for 169 countries, the majority from European countries, also will have an effect to attract more foreign visitors to Indonesia.

How to play: Travel services firms

The share price of Panorama Sentrawisata, which is run by the Tirtawisata family, rallied by more than 40% in 2016, easily beating the JCI, which rose only by 17.5% during the same period. We expect the same factors that supported this share-price performance to assert themselves again in 2017.

Key growth drivers

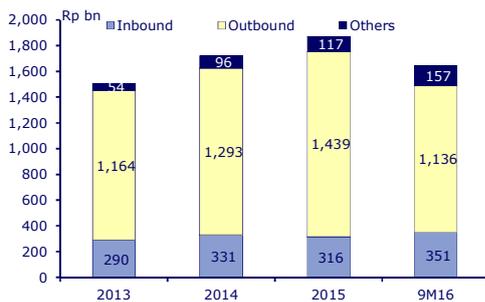
- Panorama is one of the direct beneficiaries of strong foreign tourist arrivals as well as domestic travel demand.
- The company's inbound segment, which handles foreign tourist services, **saw 56% YoY revenue growth in 3Q16**.
- This was mainly driven by strong growth of European tourists due to the free-visa policy. **It's now focusing on attracting more China tourists in 2017.**
- The company's focus on **European tourists is due to higher-margin clients** as the average spending by European tourists is US\$1,694/trip, higher than Singaporean at US\$659/trip and Chinese tourists at US\$1,059/trip.
- The company's outbound segment, which handles domestic & outbound travel services and hotel e-commerce business (MG Group), represents 70% of its total revenue.

Valuation and key risks

- Panorama is now trading at a 9.8x 2017 PE on consensus estimates, which is relatively cheap compared to regional peers like Hotel Shilla (008770 KS) at a 20x 17CL PE and Minor International (MINT TB) at 26x 17CL PE.
- The key risks are a stronger rupiah may weaken European tourist demand as well as terrorist attacks on key tourism spots.

Figure 29

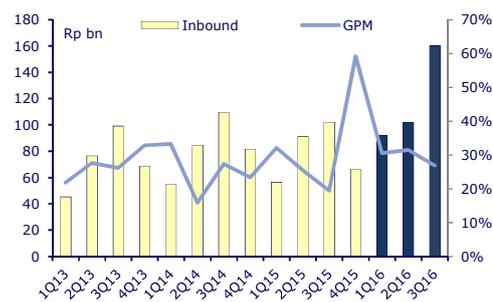
Panorama's revenue breakdown



Source: Company

Figure 30

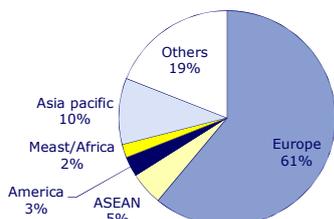
Panorama's inbound 3Q16 revenue rose by 57% YoY



Source: Company

Figure 31

Panorama's inbound market, 1H16



Source: Company. No breakdown data yet for 9M16

Figure 32

Panorama's outbound market, 1H16



Source: Company. No breakdown data yet for 9M16



Research subscriptions

To change your report distribution requirements, please contact your CLSA sales representative or email us at cib@clsa.com. You can also fine-tune your Research Alert email preferences at https://www.clsa.com/member/tools/email_alert/.

Companies mentioned

Garuda Indonesia (N-R)
 Hotel Shilla (008770 KS - 48,400 WON - BUY)
 Minor International (MINT TB - BT36.5 - OUTPERFORM)
 Panorama Sentra (N-R)

Analyst certification

The analyst(s) of this report hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.

Important disclosures

The policy of CLSA (which for the purpose of this disclosure includes subsidiaries of CLSA B.V. and CLSA Americas, LLC ("CLSA Americas")), and CL Securities Taiwan Co., Ltd. ("CLST") is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts may not receive compensation from the companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure should be read in conjunction with the research disclaimer as set out at www.clsa.com/disclaimer.html and the applicable regulation of the concerned market where the analyst is stationed and hence subject to. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a discloseable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of CLSA's research, our Corporate Finance, Sales Trading and Research business lines are distinct from one another. This means that CLSA's Research department is not part of and does not report to CLSA Corporate Finance (or "investment banking") department or CLSA's Sales and Trading business. Accordingly, neither the Corporate Finance nor the Sales and Trading department supervises or controls the activities of CLSA's research analysts. CLSA's research analysts report to the management of the Research department, who in turn report to CLSA's senior management.

CLSA has put in place a number of internal controls

designed to manage conflicts of interest that may arise as a result of CLSA engaging in Corporate Finance, Sales and Trading and Research activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with CLSA's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among CLSA's Research personnel, Corporate Finance and Sales and Trading personnel, CLSA's financial product issuers and CLSA's research analysts do not compromise the integrity and independence of CLSA's research.

Neither analysts nor their household members/associates/may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities.

Unless specified otherwise, CLSA/CLSA Americas/CLST did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, CLSA/CLSA Americas/CLST does not own a material discloseable position, and does not make a market, in the securities.

As analyst(s) of this report, I/we hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities

and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. The analyst/s also state/s and confirm/s that he/she/they has/have not been placed under any undue influence, intervention or pressure by any person/s in compiling this research report. In addition, the analysts included herein attest that they were not in possession of any material, nonpublic information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), the analyst(s) is/are not aware of any material conflict of interest.

Key to CLSA/CLSA Americas/CLST investment rankings: BUY: Total stock return (including dividends) expected to exceed 20%; O-PF: Total expected return below 20% but exceeding market return; U-PF: Total expected return positive but below market return; SELL: Total return expected to be negative. For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

In the case of US stocks, the recommendation is relative to the expected return for the S&P500 of 10%. Exceptions may be made depending upon prevailing market conditions. We define as "Double Baggers" stocks we expect to yield 100% or more (including dividends) within three years at the time the stocks are introduced to our "Double Bagger" list. "High Conviction" Ideas are not necessarily stocks with the most upside/downside, but those where the Research Head/Strategist believes there is the highest likelihood of positive/negative returns. The list for each market is monitored weekly.

Overall rating distribution for CLSA/CLSA Americas only /CLST only Universe:

Overall rating distribution: Buy / Outperform - CLSA: 61.61%; CLSA Americas only: 54.55%; CLST only: 71.62%, Underperform / Sell - CLSA: 38.39%; CLSA Americas only: 45.45%; CLST only: 28.38%, Restricted - CLSA: 0.00%; CLSA Americas only: 0.00%; CLST only: 0.00%. Data as of 31 December 2016.

Investment banking clients as a % of rating category: Buy / Outperform - CLSA: 3.55%; CLSA Americas only: 0.00%; CLST only: 0.00%, Underperform / Sell - CLSA: 2.85%; CLSA Americas only: 0.00%; CLST only: 0.00%,

Restricted - CLSA: 0.00%; CLSA Americas only: 0.00%; CLST only: 0.00% . Data for 12-month period ending 31 December 2016.

There are no numbers for Hold/Neutral as CLSA/CLSA Americas/CLST do not have such investment rankings.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: (a) CLSA Americas, Compliance Department, 1301 Avenue of the Americas, 15th Floor, New York, New York 10019-6022; (b) CLSA, Group Compliance, 18/F, One Pacific Place, 88 Queensway, Hong Kong and/or; (c) CLST Compliance (27/F, 95, Section 2 Dun Hua South Road, Taipei 10682, Taiwan, telephone (886) 2 2326 8188). © 2017 CLSA Limited, CLSA Americas, and/or CLST.

© 2017 CLSA Limited, CLSA Americas, LLC ("CLSA Americas") and/or CL Securities Taiwan Co., Ltd. ("CLST")

This publication/communication is subject to and incorporates the terms and conditions of use set out on the www.clsa.com website (www.clsa.com/disclaimer.html). Neither the publication/communication nor any portion hereof may be reprinted, sold, resold, copied, reproduced, distributed, redistributed, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of CLSA group of companies (excluding CLSA Americas, LLC) ("CLSA"), CLSA Americas (a broker-dealer registered with the US Securities and Exchange Commission and an affiliate of CLSA) and/or CLST.

CLSA, CLSA Americas and CLST has/have produced this publication/communication for private circulation to professional, institutional and/or wholesale clients only. This publication/communication may not be distributed or redistributed to retail investors. The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject CLSA, CLSA Americas and/or CLST to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of CLSA, CLSA Americas and/or CLST at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein

reflects the views and opinions of a sales person or a non-analyst, such views and opinions may not correspond to the published view of CLSA, CLSA Americas and/or CLST. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. CLSA, CLSA Americas and/or CLST do/does not accept any responsibility and cannot be held liable for any person's use of or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, CLSA, CLSA Americas and/or CLST accept(s) no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, CLSA, CLSA Americas, CLST, their respective affiliates or companies or individuals connected with CLSA/CLSA Americas/CLST may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that CLSA, CLSA Americas, CLST and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation and the full details are available at

http://www.clsa.com/member/research_disclosures/. Disclosures therein include the position of CLSA, CLSA Americas and CLST only. Unless specified otherwise, CLSA did not receive any compensation or other benefits from the subject company covered in this publication/communication.. If investors have any difficulty accessing this website, please contact webadmin@clsa.com on +852 2600 8111. If you require disclosure information on previous dates, please contact compliance_hk@clsa.com.

This publication/communication is distributed for and on behalf of CLSA Limited (for research compiled by non-US and non-Taiwan analyst(s)), CLSA Americas (for research compiled by US analyst(s)) and/or CLST (for research compiled by Taiwan analyst(s)) in Australia by CLSA Australia Pty Ltd; in Hong Kong by CLSA Limited; in India by CLSA India Private Limited, (Address: 8/F, Dalamal House, Nariman Point, Mumbai 400021. Tel No: +91-22-66505050. Fax No: +91-22-22840271; CIN: U67120MH1994PLC083118; SEBI Registration No: INZ000001735; in Indonesia by PT CLSA Sekuritas Indonesia; in Japan by CLSA Securities Japan Co., Ltd; in Korea by CLSA Securities Korea Ltd; in Malaysia by CLSA Securities Malaysia Sdn Bhd; in the Philippines by CLSA Philippines Inc (a member of Philippine Stock Exchange and Securities Investors Protection Fund); in Thailand by CLSA Securities (Thailand) Limited; in Taiwan by CLST and in United Kingdom by CLSA (UK).

India: CLSA India Private Limited, incorporated in November 1994 provides equity brokerage services (SEBI Registration No: INZ000001735), research services (SEBI Registration No: INH000001113) and merchant banking services (SEBI Registration No.INM000010619) to global institutional investors, pension funds and corporates. CLSA and its associates may have debt holdings in the subject company. Further, CLSA and its associates, in the past 12 months, may have received compensation for non-investment banking securities and/or non-securities related services from the subject company. For further details of "associates" of CLSA India please contact Compliance-India@clsa.com.

United States of America: Where any section of the research is compiled by US analyst(s), it is distributed by CLSA Americas. Where any section is compiled by non-US analyst(s), it is distributed into the United States by CLSA solely to persons who qualify as "Major US Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934 and who deal with CLSA Americas. However, the delivery of this research report to any person in the United States shall not be deemed a recommendation to effect any transactions in the securities discussed herein or an

endorsement of any opinion expressed herein. Any recipient of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting CLSA Americas.

Canada: The delivery of this research report to any person in Canada shall not be deemed a recommendation to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. Any recipient of this research in Canada wishing to effect a transaction in any security mentioned herein should do so by contacting CLSA Americas.

United Kingdom: In the United Kingdom, this research is a marketing communication. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The research is disseminated in the EU by CLSA (UK), which is authorised and regulated by the Financial Conduct Authority. This document is directed at persons having professional experience in matters relating to investments as defined in Article 19 of the FSMA 2000 (Financial Promotion) Order 2005. Any investment activity to which it relates is only available to such persons. If you do not have professional experience in matters relating to investments you should not rely on this document. Where the research material is compiled by the UK analyst(s), it is produced and disseminated by CLSA (UK). For the purposes of the Financial Conduct Rules this research is prepared and intended as substantive research material.

Singapore: In Singapore, research is issues and/or distributed by CLSA Singapore Pte Ltd (Company Registration No.: 198703750W), a Capital Markets Services license holder to deal in securities and an exempt financial adviser, a solely to persons who qualify as an institutional investor, accredited investor or expert investor, as defined in s.4A(1) of the Securities and Futures Act. Pursuant to Paragraphs 33, 34, 35 and 36 of the Financial Advisers (Amendment) Regulations 2005 of

the Financial Advisers Act (Cap 110) with regards to an institutional investor, accredited investor expert investor or Overseas Investor, sections 25, 27 and 36 of the Financial Adviser Act (Cap 110) shall not apply to CLSA Singapore Pte Ltd. Please contact CLSA Singapore Pte Ltd (telephone No.: +65 6416 7888) in connection with queries on the report. MCI (P) 033/11/2016

The analysts/contributors to this publication/communication may be employed by any relevant CLSA entity (including CLSA Americas), CLST or a subsidiary of CITIC Securities Company Limited which is different from the entity that distributes the publication/communication in the respective jurisdictions.

MSCI-sourced information is the exclusive property of Morgan Stanley Capital International Inc (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are service marks of MSCI and its affiliates. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. GICS is a service mark of MSCI and S&P and has been licensed for use by CLSA.

EVA® is a registered trademark of Stern, Stewart & Co. "CL" in charts and tables stands for CLSA/CLSA Americas and "CT" stands for CLST estimates unless otherwise noted in the source.