

# Y Ventures Group Ltd

Monetizing data analytics through e-commerce



StocksBnB.com

29 January 2018

## SINGAPORE | E-COMMERCE | INITIATION

- 50% p.a. growth in revenue over the next two years from e-commerce sales.
- Data analytic capabilities creating new revenue streams from own branded products and distributorships in consumer products.
- Initiate with BUY and target price of S\$0.70. This is based on PE of 30x FY18e.

### Company Background

Y Ventures Group Ltd. (Y Ventures) was listed in June 2017. It is a data analytics e-commerce company founded in Singapore in 2013. Y Ventures uses data analytics to determine the most popular product categories, most sought-after product features, price trends and competitive landscape. Armed with ample understanding of consumer demand, Y Ventures aims to sell such products either as (i) an e-commerce retailer/distributor of third party brands; (ii) a partner of the brand owner/manufacturer to create a new product; or (iii) under its own brand name. Its products are sold on online marketplaces. Y Ventures is now in more than 20 online marketplaces globally. At present, most of its sales are generated from the US.

### Investment Merits

**Riding high on e-commerce.** We believe Y Ventures is on a course for a 50% revenue CAGR the next two years, with four potential growth drivers of growth.

1. **Organic growth from an existing publisher.** One of the major book publishers (or suppliers) for the company is Elsevier Group. We expect stronger organic growth after the recent opening up of the buy box by a large online marketplace in the US. Products on the buy box enjoy much higher sell-through rates.
2. **Additional book publishers.** We expect Elsevier's success to draw other publishers to use Y Ventures as their key e-commerce retailer or partner. Most publishers have established offline channels but lack the expertise and tools for online distribution. Y Ventures can also provide access doors to less developed markets, namely South East Asia.
3. **Own branded products.** Y Ventures is building up its own branded products such as JustNile, an online retail private brand. The product range under this brand includes health, beauty, home, living, electronics and food products. Another newly created brand is Faire Leather, the highest funded Kickstarter launched in Singapore to date.
4. **Online distributor of other consumer products.** Many consumer brands have not garnered sufficient experience or expertise in online distribution. Most of their products are indiscriminately sold online, with little control over pricing or brand image. Y Ventures, we believe, will become the preferred e-commerce distributor or retailer. In January 2018, Y Ventures announced it has secured online distribution rights for over 20 consumer brands.

We initiate coverage on Y Ventures with a BUY and a target price of S\$0.70. We are pegging Y Ventures to other e-retailers from US and Europe. However, such companies can trade at an astronomical 50x to 60x PE, with most still loss-making. Due to the smaller scale and difference in business model, we are adopting a more conservative valuation for Y Ventures. We are using a 30x PE FY18e as our target price.

### Buy (Initiation)

LAST CLOSE PRICE	SGD 0.44
FORECAST DIV	SGD 0.00
TARGET PRICE	SGD 0.70
TOTAL RETURN	59.1%

### COMPANY DATA

O/S SHARES (MN):	200
MARKET CAP (USD mn / SGD mn):	67 / 88
52 - WK HI/LO (SGD):	0.47 / 0.15
3M Average Daily T/O (mn):	0.63

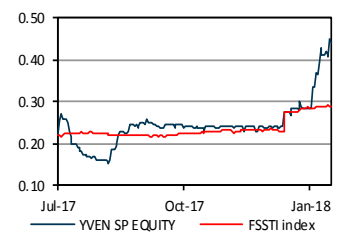
### MAJOR SHAREHOLDERS (%)

Low Adam	35.56%
Yik Jin Low	35.56%
Prism Investment Ventures Ltd	11.39%

### PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	63.6	95.7	n.a.
STI RETURN	5.53	7.21	21.34

### PRICE VS. STI



Source: Bloomberg, PSR

### KEY FINANCIALS

Y/E Dec	FY 15	FY 16	FY 17e	FY 18e
Rev (USD mn)	8.9	12.1	18.8	31.0
EBITDA (USD mn)	1.8	1.8	1.4	4.2
NPAT (USD mn)	1.8	1.8	1.3	3.7
EPS (USD)	n.a.	0.01	0.01	0.02
PER, (X)	n.a.	n.a.	52.3	18.7
P/BV, (X)	n.a.	n.a.	215	29.2
DPS (USD)	n.a.	n.a.	-	-
ROE, %	78.3%	64.0%	22.8%	32.8%

Source: Bloomberg

### Valuation Method:

P/E Multiple @ 30x

### Phillip Research Team

[research@phillip.com.sg](mailto:research@phillip.com.sg)

**Background**

Y Ventures Group Ltd. (Y Ventures) was listed in June 2017. It is a data analytics driven e-commerce company founded in Singapore in 2013. Y Ventures uses data analytics to determine the most popular product categories, most sought-after product features, price trends and competitive landscape. Armed with ample understanding of consumer demand, Y Ventures aims to sell such products either as (i) an e-commerce retailer/distributor of third party brands; (ii) a partner of the brand owner/manufacturer to create a new product; or (iii) under its own brand name.

Products are sold on online marketplaces. Y Ventures is now in more than 20 online marketplaces globally (Figure 1). Online marketplaces are essentially virtual department stores that can provide a variety of products to potential buyers. The sellers on marketplaces are predominantly 3<sup>rd</sup> party vendors. At present, most of its sales are books sold in the US. We expect the company to expand into wider range of consumer products. Not all products will be attractive for the company, for instance, fashion is too fast changing with high return rate, and shoes need large inventory due to the variety of sizes.

**Business Model**

Y Ventures’ revenue comes from product sales and profits from the typical markup or margins from the product sold. Y Ventures will take on the inventory risk as there are hardly any consignment goods.

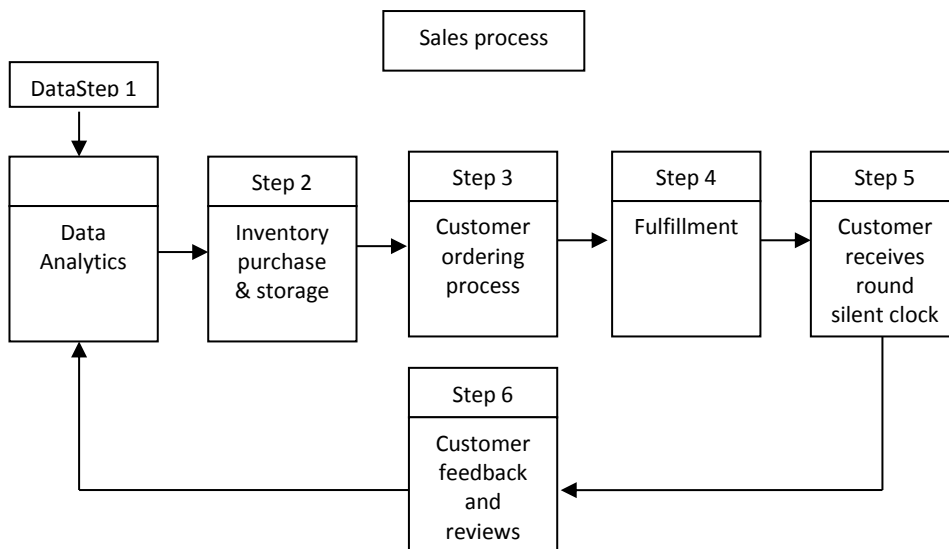
Below is a simple step by step illustration of Y Ventures sales process.

Figure 1: Global online marketplaces Y Ventures sells its products



Source: Company

Walkthrough of sales process of a clock:



**Step 1 Data Analytics:** Retrieving valuable information from online marketplaces and other social media platforms. The company can track the comments/reviews of a product, price trends or most searched item/feature. Such a large data set can be used to ascertain the potential size of the market, competitive landscape and popularity of a product.

**Step 2 Purchase product (with customized design):** After this process, Y Ventures is able to identify rising trend in a particular product, consumer opinion and pricing strategies. For instance, Y Ventures believes that retro style wall clock is in demand (refer Figure 2). It will work with manufacturers to produce a clock with such specifications. Once ready, the product will be displayed for sale in established marketplaces.

Figure 2: Data suggest this product will be popular



Source: Various marketplaces

**Step 3 Customer purchase:** Customer keys in the keyword for his/her desired clock, for example, “Retro country style round silent wall clock” in an online marketplace, which then returns Y Venture’s product. Customer clicks on the featured buy box to add product to their cart followed by making payment.

**Step 4 Delivery:** Fulfillment or delivery can be executed by the marketplace. Y Ventures will ship these clocks to the online marketplace warehouse. A fee will be levied by the marketplace for storing, picking, packing and shipping. Alternatively, Y Ventures may keep the inventory in its own warehouse and use the multiple 3<sup>rd</sup> party delivery companies (e.g. Singapore Post, Ninja Van) for delivery.

**Step 5 Customer receives product**

**Step 6 Feedback from customer:** Customers may elect to provide feedback/ reviews about the product or the service of the seller. Reviews may include the quality of product, punctuality of delivery, seller’s fast response to queries on the product. The qualitative reviews will then be picked up by the sentiment analytics tools in Step 1 to allow the team to make the necessary adjustments to improve the entire sales experience or product enhancements (Refer Figure 3).

Figure 3: Example of sentiment analysis from customer feedback



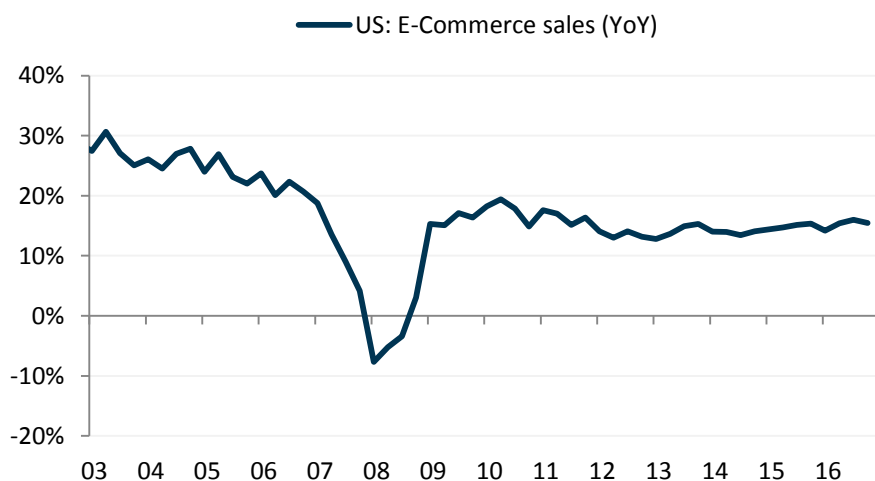
Source: Various marketplaces

## Industry

### Internet retailing in the US

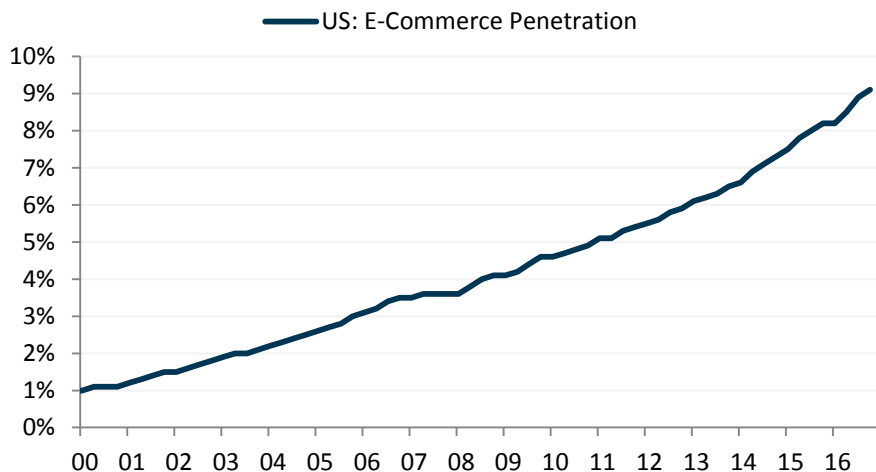
The global internet retail market is expected to grow at a CAGR of 10.7% over FY16 to FY20E to a size of US\$1.8 trillion by FY20E. E-Commerce sales in the US have been growing at CAGR of 15.5% over the past 14 years (Figure 5). Despite the impressive growth, e-commerce only accounts for 9.1% of US retail sales (Figure 6).

Figure 4: E-commerce sales in the US growing at CAGR 15.5%



Source: CEIC

Figure 6: Internet penetration of retail is still low, even in the US

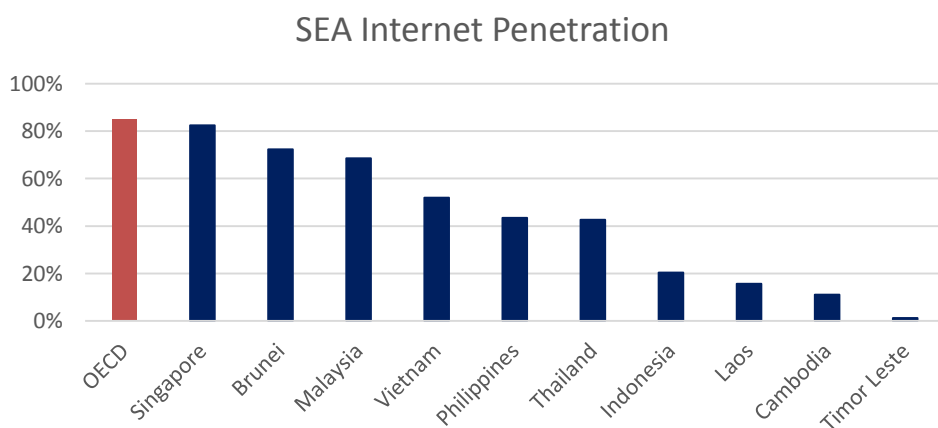


Source: CEIC

**Huge opportunity in Y Venture’s backyard – South East Asia**

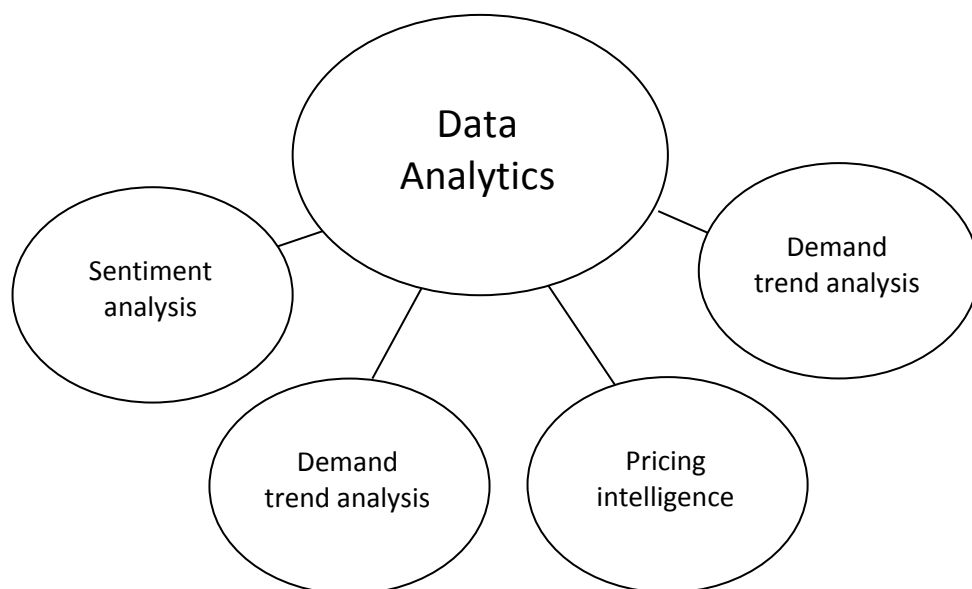
The e-commerce business is dependent on consumer’s access to the internet. With South East Asia’s internet penetration hovering about 50% compared to OECD’s average of 85%. There is a huge growth opportunity for Y Ventures. Southeast Asia's B2C ecommerce is set to reach over US\$88.1bn by 2025, 8.1x larger compared to 2017’s, according to a report by Google and Temasek. Y Ventures is already working with all major online marketplaces in South East Asia.

Figure 7: Rising internet penetration provide long runway of growth



Source: Internetlivestats.com

Data analytics is the core strength



Data mining is the computer process of discovering patterns in large data sets; an example would be identifying the spike in searches for retro style clocks. Sentiment analysis is the use of natural language processing where keywords of opinion is picked up to feedback to the system. Pricing intelligence refers to using live price feeds from different marketplaces to reprice merchandises competitively. Demand trend analysis is used to forecast a particular product popularity amongst consumers.

Investment Merits

**All about capturing e-commerce growth.** We believe Y-ventures is on a course for a 50% revenue CAGR the next two years, with four potential growth drivers sources of growth.

- 1. Organic growth from existing publisher.** A major book publisher (or supplier) for the company is Elsevier. These are mainly new medical and other professional books. We expect stronger organic growth after the recent opening up of the buy box by a large online marketplace in the US. Products on the buy box enjoy much higher sell-through rates. (Refer to Box 1 on our explanation of the Buy Box and its significance).
- 2. Additional book publishers.** We expect Elsevier’s success to draw other publishers to use Y Ventures as their key e-commerce retailer or partner. Most publishers have established offline channels but lack the expertise and tools for online distribution. Y Ventures can also provide access doors to less developed markets, namely South East Asia. Y Ventures, we believe, is already a key partner for books sold online in South East Asia.
- 3. Own branded products.** Y Ventures is building up its own branded products such as JustNile, an online retail private brand. It started this private label in 2015. The product range under this brand includes health, beauty, home, living, electronics and food products. Growth for JustNile will be by expanding its SKUs. Another newly created brand is Faire Leather, the highest funded Kickstarter launched in Singapore to date (refer Figure 8).
- 4. Online distributor of other consumer products.** Many consumer brands have not garnered sufficient experience or expertise on online distribution. Most of their products are indiscriminately sold online, with little control over pricing or brand image. Y Ventures, we believe, will become the preferred e-commerce distributor or retailer. Refer Figure 9, on some of the challenges faced by offline consumer brands when they go online.

Figure 8: Bond collection travel briefcase



Source: faireleather.co

*Faire Leather is a joint venture between Y Ventures and Tocco Toscano Singapore. It is an online retail brand which specialises in leather accessories. Recently Faire Leather started a crowd funded Kickstarter campaign to sell their products. It managed to achieve S\$406,000 in 50 days, making it the most funded Kickstarter campaign in Singapore. Faire Leather uses real-time customer feedback to constantly improve on their products. It focuses on functional features in the product together with attractive quality and price as a differentiator.*

In January 2018, it has secured online distribution right for over 20 consumer brands including personal care brand Footpure, consumer electronics brand Lowepro, health and wellness brand Shanti Switchel, F&B brand Mavella and maternity brand Mater Mothers' Hospital.

Figure 9: Challenges an offline consumer brand owner face, where Y Ventures can assist

- A) Who is selling my product online – my distributors, parallel importers?
- B) How do I control or coordinate the price discipline and promotions online?
- C) How do I penetrate emerging markets such as South East Asia?
- D) How do I control the quality of the marketing and image of my products online?
- E) How do I gather feedback and information from my online customers?
- F) What product features do my customers want?

**Box 1: What is the “Buy box”?**

A Buy Box is where the product, e.g. a book, will be featured together with the default or automatic seller. Other sellers will be in another less obvious tab that requires additional clicks to complete the transactions and presence is diluted by other competitors with many competing offers. This is a reason sellers on the Buy Box enjoy a large majority of the sales on the product featured. In March 2017, Amazon opened up the buy boat for books and allowed third-party seller to compete in the Buy Box for books in new condition.

It has not been explicitly mentioned the criteria to win the Buy Box, but some of the key criteria are: list accurately, ship accurately, ship on time, communicate with customers and provide excellent customer service.

Amazon has introduced third-party sellers since 2000. This move to open the Buy Box may be to focus on the distribution and logistics rather than take on the risk and working capital of holding inventory. The battle for the Buy Box has begun.

Figure 10: The much sought after - Buy Box

**The Netter Collection of Medical Illustrations: Digestive System: Part II - Lower Digestive Tract, 2e (Netter Green Book Collection) 2nd Edition**

by James C Reynolds MD (Author)  
Be the first to review this item

Kindle \$70.19   Hardcover \$44.48 - \$88.94   Other Sellers See all 3 versions

Rent \$44.48  
 Buy used \$69.50  
 **Buy new \$88.94**  
 Only 1 left in stock - order soon. List Price: \$99.95 Save: \$11.01 (11%)  
 Sold by a and Fulfilled by Amazon. Gift-wrap available. 24 New from \$87.45  
 This item ships to Singapore. Learn more

Turn on 1-Click ordering  
 Ship to: Singapore

Non-featured sellers   Buy Box (Your Default or Automatic seller)

Source: Amazon

### Risk factors

1. The Elsevier Group currently supplies 66.6% of total purchases and Zhoukoudian trading, who is a wholesaler of books, is a major customer of Y Ventures, accounting for 33.8% of sales in FY16.
2. Online marketplaces have full discretion on who will be listed in the buy box.
3. Online marketplace may end up working with brands instead (e.g. Book publishers print on demand).
4. Online market place charging higher commission and unable to fully pass on the increased costs to customers.

### Valuation

We initiate coverage on Y Ventures with a BUY and a target price of S\$0.70. It is particularly challenging to find the right valuation model for Y Ventures due to its unique business model within the region. We are pegging Y Ventures to other e-retailers from the US and Europe. However, such companies can trade at an astronomical 70x to 80x PE. Due to the smaller scale and difference in business model, we are adopting a more conservative valuation for Y Ventures. We are using a 30x PE FY18e as our target price. On a price to sales metric, our target price will imply 3.5x FY18e earnings. This will appear expensive compared to its peers (Figure 11). However, the more profitable nature of Y Ventures' revenue plus the infancy stage of its growth, we believe such higher valuations is justifiable.

Figure 11: Sector valuations of E-Retailers\*

Company	1 Mth Perf.	3 Mth Perf.	YTD Perf.	Share Px Local Crncy	Mkt. Cap. (US\$ m)	PE Yr 0	PE Yr + 1	PE Yr + 2	P/BV Yr 0	ROE Yr 0	P/Sales Yr 0	P/Sales Yr 1	EBITDA Margin
<b>E-Retailers</b>													
ASOS	6.1%	23.0%	5.4%	7080	8,435	92.4	72.8	58.4	14.4	26.3%	4.4	3.4	24.7%
Wayfair	14.6%	42.8%	13.6%	91	8,007	-41.2	-44.6	-60.8	101.4	n.m	2.4	1.7	-26.6%
StitchFix	-14.7%	38.6%	-18.7%	21	2,035	n.m	77.8	174.8	7.3	n.m	2.1	1.7	-55.5%
Y Ventures	63.6%	87.5%	57.9%	0.44	69	39.2	53.7	18.7	7.5	55.7%	5.7	2.0	13.6%
	7.7%	33.5%	6.5%		18,546	-183.1	-514.3	655.6	51.1	12.2%	3.3	2.8	-178.4%

Source: Bloomberg

\*We did not use online marketplaces such as Amazon, Alibaba, Kogen, etc, as these are considered platforms with totally different business models.

ASOS - Online clothing retailer with strong presence in UK and EU.

Wayfair – Online home goods retailer with strong presence in US.

StitchFix – Personal online shopping subscription basis (personal stylist for each shopper).



## Financials

### Income Statement

Y/E Dec, USD '000	FY14	FY15	FY16	FY17e	FY18e	FY19e
<b>Revenue</b>	<b>6,178</b>	<b>8,870</b>	<b>12,107</b>	<b>18,766</b>	<b>30,964</b>	<b>43,349</b>
Gross Profit	2,349	4,311	5,318	8,632	13,474	18,864
<b>EBITDA</b>	<b>349</b>	<b>1,753</b>	<b>1,778</b>	<b>1,376</b>	<b>4,218</b>	<b>6,080</b>
Depreciation & Amortisation	(87)	(105)	(102)	(100)	(95)	(90)
<b>EBIT*</b>	<b>262</b>	<b>1,648</b>	<b>1,676</b>	<b>1,276</b>	<b>4,123</b>	<b>5,989</b>
Net Finance Inc/(Exp)	-	-	-	-	-	-
<b>Profit before tax</b>	<b>390</b>	<b>1,940</b>	<b>1,843</b>	<b>1,472</b>	<b>4,319</b>	<b>6,185</b>
Taxation	(95)	(193)	(197)	(221)	(648)	(928)
<b>Net profit before NCI</b>	<b>295</b>	<b>1,747</b>	<b>1,646</b>	<b>1,251</b>	<b>3,671</b>	<b>5,257</b>
Non-controlling interest	-	76	113	35	16	16
<b>Net profit, reported</b>	<b>295</b>	<b>1,823</b>	<b>1,759</b>	<b>1,286</b>	<b>3,687</b>	<b>5,273</b>

\*FY17e excluded IPO expense

### Per share data (USD)

Y/E Dec	FY14	FY15	FY16	FY17e	FY18e	FY19e
EPS, reported	n.a.	n.a.	0.01	0.01	0.02	0.03
DPS	n.a.	n.a.	n.a.	-	-	-
BVPS	n.a.	n.a.	0.01	0.02	0.01	0.04

### Per share data (SGD)

Y/E Dec	FY14	FY15	FY16	FY17e	FY18e	FY19e
FX rate (USD/SGD)	-	-	1.44	1.31	1.31	1.29
EPS, reported	n.a.	n.a.	0.01	0.01	0.02	0.03
DPS	n.a.	n.a.	n.a.	-	-	-
BVPS	n.a.	n.a.	0.01	0.02	0.02	0.06

### Cash Flow

Y/E Dec, USD '000	FY14	FY15	FY16	FY17e	FY18e	FY19e
<b>CFQ</b>						
<b>Profit before tax</b>	<b>390</b>	<b>1,940</b>	<b>1,843</b>	<b>1,472</b>	<b>4,319</b>	<b>6,185</b>
Adjustments	54	54	122	137	157	177
WC changes	(1,055)	(1,306)	657	(1,128)	(2,017)	(1,065)
Cash generated from ops	(611)	688	2,622	481	2,459	5,297
Tax paid	-	-	-	(221)	(648)	(928)
Others	-	-	-	-	-	-
<b>Cashflow from ops</b>	<b>(611)</b>	<b>688</b>	<b>2,622</b>	<b>260</b>	<b>1,811</b>	<b>4,369</b>
<b>CFI</b>						
CAPEX, net	(1,652)	(20)	(55)	(20)	(20)	(20)
Others	-	-	-	-	-	-
<b>Cashflow from investments</b>	<b>(1,652)</b>	<b>(20)</b>	<b>(55)</b>	<b>(20)</b>	<b>(20)</b>	<b>(20)</b>
<b>CFE</b>						
Share issuance, net	11	57	143	5,878	918	-
Loans, net of repayments	1,153	-	-	-	-	-
Dividends	(276)	(109)	(2,432)	(600)	-	-
Interest paid	(14)	(21)	(23)	(38)	(62)	(87)
Others	472	(373)	(27)	(30)	(30)	(30)
<b>Cashflow from financing</b>	<b>1,346</b>	<b>(446)</b>	<b>(2,339)</b>	<b>5,210</b>	<b>826</b>	<b>(117)</b>
Net change in cash	(917)	222	228	5,451	2,617	4,232
Effects of exchange rates	-	3	(23)	-	-	-
<b>CCE, end</b>	<b>508</b>	<b>733</b>	<b>938</b>	<b>6,389</b>	<b>9,006</b>	<b>13,238</b>

Source: Company, Phillip Securities Research (Singapore) Estimates

\*Forward multiples & yields based on current market price; historical multiples & yields based on historical market price.

### Balance Sheet

Y/E Dec, USD '000	FY14	FY15	FY16	FY17e	FY18e	FY19e
<b>ASSETS</b>						
PPE	1,657	1,572	1,524	1,444	1,368	1,298
Others	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>1,657</b>	<b>1,572</b>	<b>1,524</b>	<b>1,444</b>	<b>1,368</b>	<b>1,298</b>
Accounts receivables	558	848	819	1,404	2,000	2,912
Cash	508	733	938	6,389	9,006	13,238
Inventories	1,139	1,032	2,632	2,515	6,368	6,069
Amt due from a director	-	898	-	-	-	-
<b>Total current assets</b>	<b>2,205</b>	<b>3,511</b>	<b>4,389</b>	<b>10,308</b>	<b>17,374</b>	<b>22,219</b>
<b>Total Assets</b>	<b>3,862</b>	<b>5,083</b>	<b>5,913</b>	<b>11,752</b>	<b>18,743</b>	<b>23,517</b>

### LIABILITIES

Accounts payables	613	530	1,609	1,258	3,690	3,237
Short term loans	38	31	25	25	25	25
Amt Due to Directors	572	68	308	-	-	-
Tax payable	46	220	407	407	407	407
<b>Total current liabilities</b>	<b>1,269</b>	<b>849</b>	<b>2,349</b>	<b>1,690</b>	<b>4,122</b>	<b>3,669</b>
Long term loans	1,069	970	939	909	879	849
Deferred tax liabilities	2	16	16	16	16	16
<b>Total non-current liabilities</b>	<b>1,071</b>	<b>986</b>	<b>955</b>	<b>925</b>	<b>895</b>	<b>865</b>
<b>Total Liabilities</b>	<b>2,340</b>	<b>1,835</b>	<b>3,304</b>	<b>2,615</b>	<b>5,017</b>	<b>4,534</b>

### EQUITY

Non-controlling interests	-	114	247	212	196	180
<b>Shareholder Equity</b>	<b>1,522</b>	<b>3,134</b>	<b>2,362</b>	<b>8,926</b>	<b>13,531</b>	<b>18,804</b>

### Valuation Ratios

Y/E Dec	FY14	FY15	FY16	FY17e	FY18e	FY19e
P/E (X)	n.a.	n.a.	n.a.	52.3	18.7	13.3
P/B (X)	n.a.	n.a.	n.a.	21.5	29.2	7.8
EV/EBITDA (X)	n.a.	n.a.	n.a.	45.1	14.4	9.5
Dividend Yield	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%

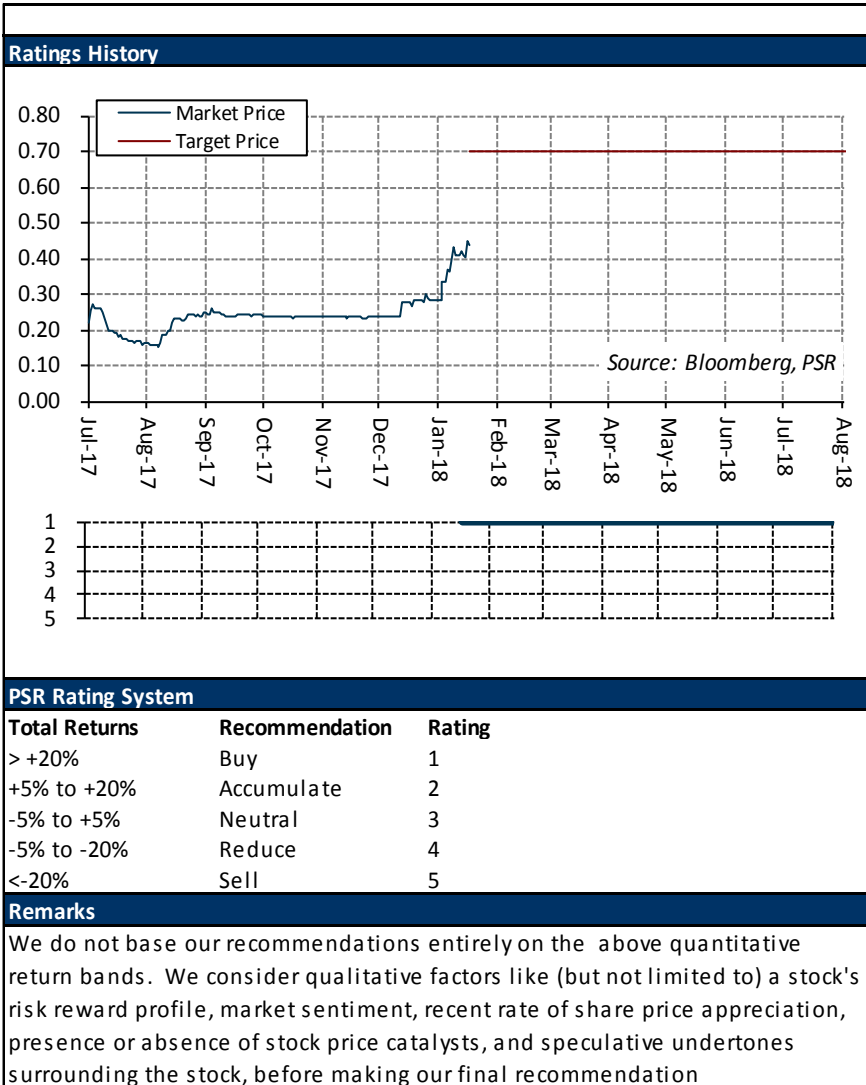
### Growth & Margins

<b>Growth</b>						
Revenue		43.6%	36.5%	55.0%	65.0%	40.0%
EBITDA		402.3%	1.4%	-22.6%	206.5%	44.1%
EBIT		529.0%	1.7%	-23.9%	223.1%	45.3%
Net profit, adj.		518.0%	-3.5%	-26.9%	186.7%	43.0%
<b>Margins</b>						
Gross margin		38.0%	48.6%	43.9%	46.0%	43.5%
EBITDA margin		5.6%	19.8%	14.7%	7.3%	13.6%
EBIT margin		4.2%	18.6%	13.8%	6.8%	13.3%
Net profit margin		4.8%	20.6%	14.5%	6.9%	12.2%

### Key Ratios

ROE (%)	19.4%	78.3%	64.0%	22.8%	32.8%	32.6%
ROA (%)	7.6%	40.8%	32.0%	14.6%	24.2%	25.0%
Net Debt / (Cash)	599	268	26	(5,455)	(8,102)	(12,364)
Net Gearing (X)	0.0%	0.0%	0.0%	Net Cash	Net Cash	Net Cash





---

**Contact Information (Singapore Research Team)**
**Head of Research**Paul Chew – [paulchewkl@phillip.com.sg](mailto:paulchewkl@phillip.com.sg)**Research Operations Officer**Mohamed Amiruddin – [amiruddin@phillip.com.sg](mailto:amiruddin@phillip.com.sg)**Consumer | Healthcare**Soh Lin Sin – [sohls@phillip.com.sg](mailto:sohls@phillip.com.sg)**Oil & Gas | Energy**Chen Guangzhi – [chengz@phillip.com.sg](mailto:chengz@phillip.com.sg)**Macro**Pei Sai Teng – [peist@phillip.com.sg](mailto:peist@phillip.com.sg)**Transport | REITs (Industrial)**Richard Leow – [richardleowwt@phillip.com.sg](mailto:richardleowwt@phillip.com.sg)**REITs (Commercial, Retail, Healthcare) | Property**Dehong Tan – [tandh@phillip.com.sg](mailto:tandh@phillip.com.sg)**Technical Analysis**Jeremy Ng – [jeremyngch@phillip.com.sg](mailto:jeremyngch@phillip.com.sg)**Banking and Finance**Jeremy Teong – [jeremyteongfh@phillip.com.sg](mailto:jeremyteongfh@phillip.com.sg)**US Equity**Ho Kang Wei – [hokw@phillip.com.sg](mailto:hokw@phillip.com.sg)


---

**Contact Information (Regional Member Companies)**
**SINGAPORE****Phillip Securities Pte Ltd**

Raffles City Tower  
250, North Bridge Road #06-00  
Singapore 179101  
Tel +65 6533 6001  
Fax +65 6535 6631  
Website: [www.poems.com.sg](http://www.poems.com.sg)

**JAPAN****Phillip Securities Japan, Ltd.**

4-2 Nihonbashi Kabuto-cho Chuo-ku,  
Tokyo 103-0026  
Tel +81-3 3666 2101  
Fax +81-3 3666 6090  
Website: [www.phillip.co.jp](http://www.phillip.co.jp)

**THAILAND****Phillip Securities (Thailand) Public Co. Ltd**

15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangkok,  
Bangkok 10500 Thailand  
Tel +66-2 6351700 / 22680999  
Fax +66-2 22680921  
Website: [www.phillip.co.th](http://www.phillip.co.th)

**UNITED STATES****Phillip Capital Inc**

141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA  
Tel +1-312 356 9000  
Fax +1-312 356 9005  
Website: [www.phillipusa.com](http://www.phillipusa.com)

**INDIA****PhillipCapital (India) Private Limited**

No.1, 18th Floor, Urmi Estate  
95, Ganpatrao Kadam Marg  
Lower Parel West, Mumbai 400-013  
Maharashtra, India  
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969  
Website: [www.phillipcapital.in](http://www.phillipcapital.in)

**CAMBODIA****Phillip Bank Plc**

Ground Floor of B-Office Centre, #61-64,  
Norodom Blvd Corner Street 306, Sangkat  
Boeung Keng Kang 1, Khan Chamkamorn,  
Phnom Penh, Cambodia  
Tel: 855 (0) 7796 6151/855 (0) 1620 0769  
Website: [www.phillipbank.com.kh](http://www.phillipbank.com.kh)

**MALAYSIA****Phillip Capital Management Sdn Bhd**

B-3-6 Block B Level 3 Megan Avenue II,  
No. 12, Jalan Yap Kwan Seng, 50450  
Kuala Lumpur  
Tel +603 2162 8841  
Fax +603 2166 5099  
Website: [www.poems.com.my](http://www.poems.com.my)

**INDONESIA****PT Phillip Securities Indonesia**

ANZ Tower Level 23B,  
Jl Jend Sudirman Kav 33A  
Jakarta 10220 – Indonesia  
Tel +62-21 5790 0800  
Fax +62-21 5790 0809  
Website: [www.phillip.co.id](http://www.phillip.co.id)

**FRANCE****King & Shaxson Capital Limited**

3rd Floor, 35 Rue de la Bienfaisance 75008  
Paris France  
Tel +33-1 45633100  
Fax +33-1 45636017  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**AUSTRALIA****Phillip Capital Limited**

Level 10, 330 Collins Street  
Melbourne, Victoria 3000, Australia  
Tel +61-03 9629 8288  
Fax +61-03 9629 8882  
Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

**TURKEY****PhillipCapital Menkul Degerler**

Dr. Cemil Bengü Cad. Hak Is Merkezi  
No. 2 Kat. 6A Caglayan  
34403 Istanbul, Turkey  
Tel: 0212 296 84 84  
Fax: 0212 233 69 29  
Website: [www.phillipcapital.com.tr](http://www.phillipcapital.com.tr)

**HONG KONG****Phillip Securities (HK) Ltd**

11/F United Centre 95 Queensway  
Hong Kong  
Tel +852 2277 6600  
Fax +852 2868 5307  
Websites: [www.phillip.com.hk](http://www.phillip.com.hk)

**CHINA****Phillip Financial Advisory (Shanghai) Co Ltd**

No 550 Yan An East Road,  
Ocean Tower Unit 2318,  
Postal code 200001  
Tel +86-21 5169 9200  
Fax +86-21 6351 2940  
Website: [www.phillip.com.cn](http://www.phillip.com.cn)

**UNITED KINGDOM****King & Shaxson Capital Limited**

6th Floor, Candlewick House,  
120 Cannon Street,  
London, EC4N 6AS  
Tel +44-20 7426 5950  
Fax +44-20 7626 1757  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**SRI LANKA****Asha Phillip Securities Limited**

2<sup>nd</sup> Floor, Lakshmans Building,  
No. 321, Galle Road,  
Colombo 03, Sri Lanka  
Tel: (94) 11 2429 100  
Fax: (94) 11 2429 199  
Website: [www.ashaphillip.net](http://www.ashaphillip.net)

**DUBAI****Phillip Futures DMCC**

Member of the Dubai Gold and  
Commodities Exchange (DGEX)  
Unit No 601, Plot No 58, White Crown Bldg,  
Sheikh Zayed Road, P.O.Box 212291  
Dubai-UAE  
Tel: +971-4-3325052 / Fax: + 971-4-3328895

**Important Information**

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's licence under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

**IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES**

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.