

# Cache Logistics Trust

## Highlighting 2019 risks



StocksBnB.com

### SINGAPORE | REAL ESTATE (REIT) | 3Q18 RESULTS

29 October 2018

- Gross revenue 4.7% higher than expected
- DPU 7.5% higher than expected, partially due to capital distribution of 0.036 cents/unit; DPU from operations 4.9% higher than our forecast
- WALE by NLA has shortened QoQ from 3.5 years to 3.3 years
- Proposed divestment of Jinshan Chemical Warehouse
- Maintain Neutral; new target price of \$0.75 (previously \$0.82), as we raise the discount rate in view of multiple risks in 2019

#### Results at a glance

(SGD mn)	3Q18	3Q17	YoY	Comments
Gross revenue	31.5	27.4	14.8%	Nine Australia warehouses (acquired on Feb. 15), higher revenue from 51 Alps Ave and CWT Commodity Hub
Net property income	23.1	21.3	8.1%	38.4% higher property expenses, from conversion of CWT Commodity Hub and newly acquired Australia portfolio
Distributable income	15.9	16.4	-3.6%	3Q18 includes capital distribution of \$0.386mn, 3Q17 includes capital distribution of \$0.565mn; underlying DI from operations is 2.6% lower
DPU, (cents)	1.475	1.541	-4.3%	Effect of 19% larger unit base following Rights Issue in October 2017; 3Q18 includes capital distribution of 0.036 cents, 3Q17 includes capital distribution of 0.053 cents

Source: Company, PSR

#### The Positives

- Prudent debt capital management.** Gearing remains stable at 35.6%, only 0.3pp higher QoQ. We estimate a debt headroom of ~\$5101mn, which can be used to growth the AUM by 8%. Subsequent to end-Sept., the manager has refinanced all 2018 and 2019 SGD-debt to a 5.5-year loan, thus extending the weighted average debt maturity from 2.2 years to 4.1 years.
- Committed occupancy at CWT Commodity Hub inched higher to 94% from 92.7%.** Recall that the property was converted to a multi-tenancy lease structure in April this year at 86% occupancy. Total portfolio committed occupancy is also higher QoQ by 0.1ppt to 96.9%.
- Limited vacancy risk remains for 4Q 2018.** Only 2.0% of leases by rental income is expiring in 2H 2018.
- Divestment gains from JCW, minimal impact to DPU as JCW is non-core.** Jinshan Chemical Warehouse (JCW) to be divested for RMB 87mn. It was acquired in June 2011 for RMB 71mn, and recently valued at RMB 77.3mn. JCW contributed 1.4% of total gross rental income in FY17; and would have contributed only 0.8% in FY18e, by our estimate.

### Neutral (Maintained)

LAST CLOSE PRICE	SGD 0.710
FORECAST DIV	SGD 0.059
TARGET PRICE	SGD 0.750
TOTAL RETURN	14.0%

#### COMPANY DATA

BLOOMBERG CODE:	CACHE SP
O/S SHARES (MN):	1073
MARKET CAP (USD mn / SGD mn):	551 / 762
52 - WK HI/LO (SGD):	0.89 / 0.7
3M Average Daily T/O (mn):	2.32

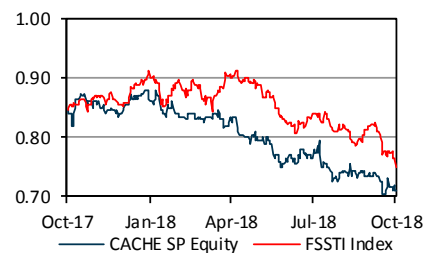
#### MAJOR SHAREHOLDERS (%)

ARA RE INVESTMENT	9.2%
EASTSPING INVESTMENTS SINGAPORE	5.1%
VANGUARD GROUP	3.0%

#### PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	(3.4)	(5.4)	(9.5)
STIRETURN	(6.8)	(8.0)	(6.5)

#### PRICE VS. STI



Source: Bloomberg, PSR

#### KEY FINANCIALS

Y/E Dec	FY 16	FY 17	FY 18e	FY 19e
Gross Rev. (SGD mn)	111	112	122	123
NPI (SGD mn)	88.0	87.3	90.5	89.5
Dist. Inc. (SGD mn)	66.9	64.4	63.3	61.9
P/E (x)	N.A.	29.2	14.6	14.3
P/NAV (x)	1.00	0.99	1.01	1.02
DPU, adj (cents)	7.73	6.58	5.91	5.82
Distribution Yield (%)	9.9	9.3	8.3	8.2

Source: Company Data, PSR est.

#### VALUATION METHOD

DDM (Cost of Equity: 7.8%; Terminal g: 10%)

Richard Leow, CFA, CFTE, FRM (+65 6212 1848)

Investment Analyst

richardleowwt@phillip.com.sg

### The Negatives

- **Underlying DI and DPU from operations are lower YoY, despite the enlarged portfolio and increased gross revenue.** Underlying distributable income (DI) is S\$0.411mn or 2.6% lower YoY, in part due to S\$1.39mn payable to perpetual securities holders. There was no payment to perpetual securities holders in 3Q17, as they were issued in January 2018 in relation to the acquisition of nine Australian properties. Capital structure of using perpetual securities for the acquisition does not show evidence of DPU accretion to unitholders.
- **Portfolio rental reversion of -6.6% for 13,400 sq ft of space for one lease.** We expect negative reversions to persist into 2019, as overhang of space continues to be absorbed.
- **Significant vacancy risk in 2019 on 28.2% of portfolio by rental income.** Almost half of this comes from CWT Commodity Hub. There are also three single-tenanted leases expiring: Precise Two, Air Market Logistics Centre and one of the smaller Australia assets. There is scope for negative reversions for the CWT Commodity Hub leases as there were signed at better than market.

### Outlook

The outlook is negative. Negative rent reversions expected to persist into 2019; and the expiry of 28.2% of portfolio leases by rental income poses a significant renewal risk. Non-renewal of other master leases in 2019 could put additional pressure on distributable income.

### Maintain Neutral; new target price of \$0.75 (previous \$0.82)

We are expecting 8.2% yield on next-twelve-month distributions. We raise our discount rate to 7.8% in view of the various conversion, renewal and reversion risks in 2019. Long-term growth rate remains unchanged at 1%. Our target price represents an implied 1.06x FY18e P/NAV multiple.

### Relative valuation

Cache Logistics Trust trades at a lower P/NAV multiple than its logistics peers and higher yield. We believe the market is pricing in the risk and expectation of YoY lower DPU in 2019.

#### Peer relative data (arranged by Mkt. Cap.)

	Mkt. Cap. (S\$ mn)	Price (S\$)	Trailing P/NAV (x)	12M trailing yield (%)
Mapletree Logistics Trust	4,348	1.22	1.08	6.3
Frasers Logistics & Industrial Trust	2,087	1.04	1.13	7.1
Cache Logistics Trust	762	0.710	1.01	8.5
<b>Average</b>			<b>1.07</b>	<b>7.3</b>

Source: Bloomberg (Updated: 25 October 2018), PSR

## Financials

### Statement of Total Return and Distribution Statement

Y/E Dec, SGD mn	FY15	FY16	FY17	FY18e	FY19e
<b>Gross revenue</b>	<b>89.7</b>	<b>111.3</b>	<b>112.0</b>	<b>121.9</b>	<b>123.0</b>
Property expenses	(13.6)	(23.3)	(24.7)	(31.5)	(33.5)
<b>Net property income</b>	<b>76.2</b>	<b>88.0</b>	<b>87.3</b>	<b>90.5</b>	<b>89.5</b>
Net Finance (Expense)/Inc.	(14.1)	(19.5)	(18.6)	(18.1)	(18.4)
Manager's fees	(7.5)	(7.8)	(7.6)	(8.2)	(8.0)
Other items	(1.6)	(3.1)	(3.1)	(10.1)	(2.0)
<b>Net income</b>	<b>53.0</b>	<b>57.6</b>	<b>58.0</b>	<b>54.1</b>	<b>61.0</b>
FV change, Invmnt. properties	(64.7)	(80.7)	(31.8)	-	-
<b>Total Return Before Tax</b>	<b>(11.7)</b>	<b>(23.2)</b>	<b>25.2</b>	<b>57.9</b>	<b>61.0</b>
Taxation	(0.6)	(0.8)	(1.3)	(1.7)	(1.7)
<b>Total Return After Tax</b>	<b>(12.3)</b>	<b>(24.0)</b>	<b>23.9</b>	<b>56.1</b>	<b>59.3</b>
Distribution adjustments	75.2	90.9	40.5	12.2	8.1
Distribution to perp holders	-	-	-	(5.0)	(5.5)
<b>Income available for distribution</b>	<b>62.9</b>	<b>66.9</b>	<b>64.4</b>	<b>63.3</b>	<b>61.9</b>
Capital distribution	5.1	2.4	1.6	1.2	1.5
<b>Income distributed</b>	<b>68.0</b>	<b>69.3</b>	<b>66.0</b>	<b>64.4</b>	<b>63.4</b>

### Per share data (cents)

Y/E Dec	FY15	FY16	FY17	FY18e	FY19e
NAV	88.0	78.0	72.0	70.5	69.7
EPU	(1.47)	(2.67)	2.43	4.85	4.98
DPU	8.50	7.73	6.58	5.91	5.82

\*Forward EPU does not include change in Fair Value of Investment Properties

### Cash Flow

Y/E Dec, SGD mn	FY15	FY16	FY17	FY18e	FY19e
<b>CFO</b>					
Net income	53	58	58	54	61
Adjustments	20	26	25	25	25
WC changes	3	(2)	0	1	(0)
Cash generated from ops	76	82	83	80	86
Others	(1)	(1)	(1)	(2)	(2)
<b>Cashflow from ops</b>	<b>75</b>	<b>81</b>	<b>82</b>	<b>78</b>	<b>84</b>
<b>CFI</b>					
CAPEX, net	(81)	(7)	23	(0)	(0)
Purchase of Inv. Propty., net	(183)	-	(25)	(200)	-
Others	0	0	0	69	-
<b>Cashflow from investments</b>	<b>(263)</b>	<b>(7)</b>	<b>(3)</b>	<b>(131)</b>	<b>(0)</b>
<b>CFF</b>					
Share issuance, net	100	-	103	-	-
Loans, net of repayments	173	13	(96)	37	10
Distributions	(74)	(63)	(66)	(67)	(68)
Others	(14)	(18)	(20)	86	(18)
<b>Cashflow from financing</b>	<b>185</b>	<b>(69)</b>	<b>(78)</b>	<b>56</b>	<b>(77)</b>
<b>Net change in cash</b>	<b>(3)</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>7</b>
Effects of exchange rates	(0)	0	0	-	-
<b>Ending cash</b>	<b>8</b>	<b>14</b>	<b>15</b>	<b>18</b>	<b>25</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, SGD mn	FY15	FY16	FY17	FY18e	FY19e
<b>ASSETS</b>					
Investment properties	1,308	1,211	1,138	1,338	1,338
Inv. Propty. Under Devmnt.	-	-	-	-	-
PPE	3	3	2	2	1
Others	2	0	-	-	-
<b>Total non-current assets</b>	<b>1,313</b>	<b>1,214</b>	<b>1,140</b>	<b>1,340</b>	<b>1,339</b>
Cash	8	14	15	18	25
Trade receivables	5	5	5	6	6
Others	0	25	69	0	0
<b>Total current assets</b>	<b>13</b>	<b>44</b>	<b>89</b>	<b>24</b>	<b>31</b>
<b>Total Assets</b>	<b>1,326</b>	<b>1,258</b>	<b>1,229</b>	<b>1,363</b>	<b>1,370</b>
<b>LIABILITIES</b>					
Trade payables	14	14	15	17	16
Borrowings	8	5	125	-	-
Others	-	0	1	1	1
<b>Total current liabilities</b>	<b>23</b>	<b>19</b>	<b>141</b>	<b>18</b>	<b>17</b>
Borrowings	515	534	320	482	492
Others	2	4	2	2	2
<b>Total non-current liabilities</b>	<b>517</b>	<b>539</b>	<b>322</b>	<b>484</b>	<b>494</b>
<b>Total Liabilities</b>	<b>540</b>	<b>557</b>	<b>463</b>	<b>502</b>	<b>512</b>
<b>Net assets</b>	<b>787</b>	<b>701</b>	<b>766</b>	<b>861</b>	<b>858</b>
<b>Represented by:</b>					
Unitholders' funds	787	701	766	759	756
Perp. Securities holders	-	-	-	103	103

### Valuation Ratios

Y/E Dec	FY15	FY16	FY17	FY18e	FY19e
P/E (x)	N.A.	N.A.	29.2	14.6	14.3
P/NAV (x)	1.00	1.00	0.99	1.01	1.02
P/DPU (x)	10.3	10.1	10.8	12.0	12.2
Distribution Yield (%)	9.7	9.9	9.3	8.3	8.2
NPI yield (%)	6.5	7.0	7.4	7.3	6.7

### Growth & Margins (%)

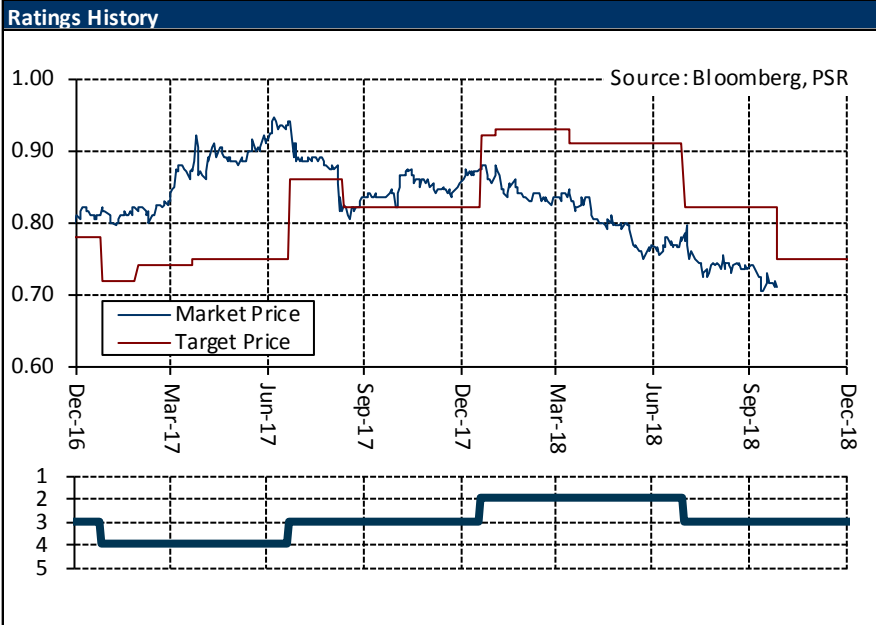
<b>Growth</b>					
Revenue	8.3%	24.0%	0.6%	8.9%	0.9%
Net property income (NPI)	-2.4%	15.6%	-0.8%	3.6%	-1.1%
Distributable income	-6.0%	6.4%	-3.8%	-1.8%	-2.2%
DPU	-9.1%	-14.8%	-10.2%	-1.6%	

### Margins

NPI margin	84.9%	79.1%	78.0%	74.2%	72.8%
------------	-------	-------	-------	-------	-------

### Key Ratios

Net Debt or (Net Cash)	515.4	525.3	429.7	463.7	466.5
Aggregate Leverage (%)	39.5%	42.8%	36.2%	35.3%	35.9%



**PSR Rating System**

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
< -20%	Sell	5

**Remarks**

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

**Contact Information (Singapore Research Team)**

**Head of Research**

Paul Chew – [paulchewkl@phillip.com.sg](mailto:paulchewkl@phillip.com.sg)

**Marketing & Operations**

Teo Pei Ling – [teopl@phillip.com.sg](mailto:teopl@phillip.com.sg)

**Banking and Finance**

Tin Min Ying – [tinmy@phillip.com.sg](mailto:tinmy@phillip.com.sg)

**Oil & Gas | Energy**

Chen Guangzhi – [chengz@phillip.com.sg](mailto:chengz@phillip.com.sg)

**Telco | Technology**

Alvin Chia – [alvinchiawy@phillip.com.sg](mailto:alvinchiawy@phillip.com.sg)

**Transport | REITs (Industrial)**

Richard Leow – [richardleowwt@phillip.com.sg](mailto:richardleowwt@phillip.com.sg)

**China/HK Equity**

Zheng Jieyuan – [zhengjy@phillip.com.sg](mailto:zhengjy@phillip.com.sg)

**REITs (Commercial, Retail, Healthcare) | Property**

Tara Wong – [tarawongsi@phillip.com.sg](mailto:tarawongsi@phillip.com.sg)

**US Equity**

Edmund Xue – [edmundxueji@phillip.com.sg](mailto:edmundxueji@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)

**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)

**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)

**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)

**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)

**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)

**THAILAND**

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

15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangrak,  
Bangkok 10500 Thailand  
Tel +66-2 63517000 / 22680999  
Fax +66-2 22680921  
Website [www.phillip.co.th](http://www.phillip.co.th)

**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)

**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)

**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)

**AUSTRALIA**

**Phillip Capital Limited**

Level 10, 330 Collins Street  
Melbourne, Victoria 3000, Australia  
Tel +61-03 8633 9803  
Fax +61-03 8633 9899  
Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

**SRI LANKA**

**Asha Phillip Securities Limited**

No. 60, 5th Lane,  
Colombo 3, Sri Lanka  
Tel: (94) 11 2429 100  
Fax: (94) 11 2429 199  
Website: [www.ashaphillip.net](http://www.ashaphillip.net)

**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)

**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)

**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

**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)

**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.