

# SIA Engineering Company Ltd

Headline PATMI boosted by one-off; recurring PATMI still weak

SINGAPORE | TRANSPORT SERVICES | RESULTS

6 February 2017

- 3QFY17 revenue of S\$272.3mn in line with our forecast of S\$273.3mn
- 3Q FY17 recurring PATMI of S\$50.3mn exceeded our forecast of S\$37.4mn by 34%
- 9MFY17 revenue of S\$808.7mn met 74% of our full year forecast of S\$1.089bn, and 74% of consensus full year expectation of S\$1.097bn
- 9MFY17 recurring PATMI of S\$123.8mn met 73% of our full year forecast of S\$169.2mn, and met 75% of consensus full year expectation of S\$165mn
- Positive surprise from qoq bounce in contribution from JVs

In spite of the 3.8% year-on-year (yoy) growth to 92,300 Commercial Aircraft Movements at Changi Airport during the quarter, revenue for the group was lower 1.1%. The associates & JVs, which contribute more than half of the bottom line also showed lower yoy results as well. We attribute these weaknesses to the structural changes to the industry, in which new aircraft and engines require less frequent maintenance and lighter work scopes.

## Results at a glance

(SGD mn)	3Q17	3Q16	yoy (%)	Comments
Revenue	272.3	275.2	↓(1.1)	Lower fleet management and airframe component overhaul, mitigated by higher line maintenance
EBIT	25.2	29.0	↓(13.1)	3Q17 boosted by S\$4.8mn exchange gain, increase in staff costs mitigated by lower subcontract costs
Associates & JVs	31.6	33.2	↓(4.8)	3Q17 JVs S\$3.2mn lower, associates S\$1.6mn higher
PATMI, reported	52.6	49.4	↑6.5	3Q17 includes S\$2.3mn gain from partial disposal of associate; 3Q16 includes S\$4.3mn loss on liquidation of associate, S\$2.5mn impairment of associate and S\$1.3mn dividend from non-current asset held for sale
PATMI, recurring	50.3	54.9	↓(8.4)	Adjusted for one-offs above

Source: Company, Phillip Securities Research (Singapore)

## Headline PATMI exceeded our expectations due to stronger Associates and JVs

We were expecting 44% yoy lower share of profits from Associates and JVs. The positive surprise was mainly from higher than expected contribution from JVs (Actual: S\$14.3mn; Forecasted: S\$4.9mn), with additional contribution from associated companies (Actual: S\$17.3mn; Forecasted: S\$12.7). Contribution from JVs had been single-digit for the past three quarters and bounced back in 3QFY17 to S\$14.3mn. We have lifted our full year Associates & JVs forecast for FY17e and FY18e by 21% and 8.6% respectively.

## Recurring PATMI still weak; expect flattish +2.3% growth in recurring PATMI for FY17e

While headline PATMI was 6.5% higher yoy, it was 8.4% lower yoy after stripping out the effects of one-offs in both 3QFY17 and 3QFY16. Headline PATMI for 3QFY17 was boosted by a S\$2.3mn one-off gain from partial disposal of an associate. Conversely, 3QFY16 PATMI was dragged down by one-off losses from liquidation and impairment of an associate, offset by dividend from a non-current asset held for sale.

## 49:51 strategic partnership between SIAEC and Moog

As announced in December 2016, SIA Engineering Company Limited (SIAEC) is establishing a JV with Moog Incorporated (Moog) to provide maintenance, repair and overhaul services for components on flight control systems for new-generation aircraft, such as the Boeing 787 and the Airbus A350. The JV pending regulatory approvals from relevant jurisdictions.

## Upgrade to "Neutral" rating with higher target price of S\$3.38 (previous: S\$3.28)

While work volume is expected to pick up in 2017, we believe work content will be lower compared to historical. This is due to better technology, which has led to better airframe and engine reliability. Our target price gives a FY17e forward P/E multiple of 20.5x and a 21.0x P/E multiple over next-twelve-months (NTM) earnings.

## Neutral (Upgraded)

LAST CLOSE PRICE	SGD 3.52
FORECAST DIV	SGD 0.145
TARGET PRICE	SGD 3.38
TOTAL RETURN	0.1%

## COMPANY DATA

O/S SHARES (MN)	1,120
MARKET CAP (USD mn / SGD mn)	2789 / 3944
52 - WK HI/LO (SGD)	3.91 / 3.35
3M Average Daily T/O (mn)	0.26

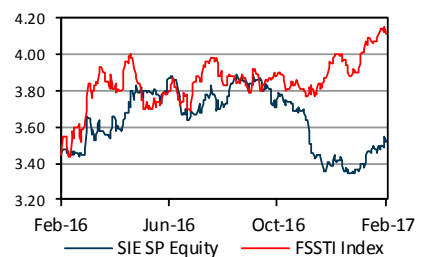
## MAJOR SHAREHOLDER (%)

SINGAPORE AIRLINES LTD	77.5%
MATTHEWS INTERNATIONAL CAPITAL	14%
SEAFARER CAPITAL PARTNERS LLC	0.9%

## PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	4.7	(3.0)	7.3
STIRETURN	5.9	9.0	22.7

## PRICE VS. STI



Source: Bloomberg, PSR

## KEY FINANCIALS

Y/E Mar	FY 15	FY 16	FY 17e	FY 18e
Revenue (SGD mn)	1,121	1,113	1,089	1,102
Assoc. & JVs (SGD mn)	106.3	94.2	916	99.9
PATMI, adj (SGD mn)	183.3	180.6	184.8	187.7
EPS, adj. (cents)	16.36	16.10	16.47	16.73
P/E, adj. (x)	25.2	22.9	214	211
BVPS (cents)	124.8	139.4	142.0	144.2
P/B (x)	3.3	2.6	2.5	2.4
DPS (cents)	14.50	14.00	14.50	15.00
Div. Yield (%)	352.1	379.4	410.8	424.9

Source: Company Data, PSR est.

## VALUATION METHOD

DCF (WACC: 7.6%; Terminal g: 15%)

Richard Leow, CFE, FRM (+65 6212 1848)  
richardleowwt@phillip.com.sg

## Neutral (Upgraded)

LAST CLOSE PRICE	SGD 3.52
FORECAST DIV	SGD 0.145
TARGET PRICE	SGD 3.38
TOTAL RETURN	0.1%

## Financials

### Income Statement

Y/E Mar, SGD mn	FY14	FY15	FY16	FY17e	FY18e
<b>Revenue</b>	<b>1,178</b>	<b>1,121</b>	<b>1,113</b>	<b>1,089</b>	<b>1,102</b>
<b>EBITDA</b>	<b>152.6</b>	<b>126.8</b>	<b>148.3</b>	<b>126.5</b>	<b>156.8</b>
Depreciation & Amortisation	37.0	42.8	43.9	52.1	49.0
<b>EBIT</b>	<b>115.6</b>	<b>84.0</b>	<b>104.4</b>	<b>74.4</b>	<b>107.8</b>
Net Finance (Expense)/Inc	1.3	1.1	1.7	2.8	2.3
Other items	15	14	6	40	-
Associates & JVs	162.6	106.3	94.2	91.6	99.9
Exceptional items	-	-	(4)	144	-
<b>Profit Before Tax</b>	<b>294.0</b>	<b>205.4</b>	<b>202.0</b>	<b>352.2</b>	<b>210.0</b>
Taxation	(23.0)	(20.0)	(20.8)	(17.2)	(18.7)
<b>Profit After Tax</b>	<b>271.0</b>	<b>185.4</b>	<b>181.2</b>	<b>335.0</b>	<b>191.3</b>
- Non-controlling interest	5.3	2.1	4.6	6.3	3.6
<b>PATMI, reported</b>	<b>265.7</b>	<b>183.3</b>	<b>176.6</b>	<b>328.7</b>	<b>187.7</b>
<b>PATMI, adj.</b>	<b>265.7</b>	<b>183.3</b>	<b>180.6</b>	<b>184.8</b>	<b>187.7</b>

### Per share data (cents)

Y/E Mar	FY14	FY15	FY16	FY17e	FY18e
EPS, reported	23.88	16.36	15.74	29.30	16.73
EPS, adj.	23.88	16.36	16.10	16.47	16.73
DPS, ordinary	20.00	14.50	14.00	14.50	15.00
DPS, special	5.00	-	-	-	-
BVPS	128.3	124.8	139.4	142.0	144.2

### Cash Flow

Y/E Mar, SGD mn	FY14	FY15	FY16	FY17e	FY18e
<b>CFO</b>					
PBT	294	205	206	352	210
Adjustments	(137)	(81)	(40)	(223)	(53)
WC changes	(20.6)	(5.1)	(65.9)	36.4	(18.2)
Cash generated from ops	137	119	100	165	139
Others	(24)	(23)	(19)	(17)	(19)
<b>Cashflow from ops</b>	<b>113</b>	<b>96</b>	<b>81</b>	<b>148</b>	<b>120</b>
<b>CFI</b>					
CAPEX, net	(67)	(49)	(41)	(41)	(43)
Divd from associates & JVs	157	112	79	74	74
Others	11.0	14.6	(16.0)	195.6	(0.9)
<b>Cashflow from investments</b>	<b>101</b>	<b>78</b>	<b>22</b>	<b>229</b>	<b>31</b>
<b>CCF</b>					
Share issuance, net	30.3	17.2	5.8	-	-
Loans, net of repayments	16.1	8.8	0.8	-	-
Dividends	(248)	(273)	(167)	(164)	(167)
Others	(0.2)	(0.3)	(0.3)	(1.2)	(1.2)
<b>Cashflow from financing</b>	<b>(202)</b>	<b>(248)</b>	<b>(161)</b>	<b>(165)</b>	<b>(168)</b>
<b>Net change in cash</b>	<b>13</b>	<b>(74)</b>	<b>(58)</b>	<b>212</b>	<b>(17)</b>
Effects of exchange rates	-	5.1	(1.1)	-	-
<b>CCE, end</b>	<b>536</b>	<b>464</b>	<b>398</b>	<b>609</b>	<b>592</b>

### Balance Sheet

Y/E Mar, SGD mn	FY14	FY15	FY16	FY17e	FY18e
<b>ASSETS</b>					
PPE	337	344	341	334	332
Intangibles	54	62	63	63	63
Associates & JVs	436	464	492	509	535
Investments	15	15	-	-	-
Others	-	-	-	-	-
<b>Total non-current assets</b>	<b>842</b>	<b>884</b>	<b>896</b>	<b>906</b>	<b>930</b>
Inventories	44	38	41	38	39
Accounts Receivables	97	83	77	78	77
Prepayments	19	13	14	13	14
Investments	-	-	-	-	-
Cash	536	464	394	605	588
Others	169	176	401	205	225
<b>Total current assets</b>	<b>865</b>	<b>773</b>	<b>926</b>	<b>939</b>	<b>943</b>
<b>Total Assets</b>	<b>1,707</b>	<b>1,657</b>	<b>1,822</b>	<b>1,846</b>	<b>1,873</b>

### LIABILITIES

Short term loans	8.2	9.3	8.8	8.8	8.8
Accounts Payables	246	230	229	224	227
Others	22	17	18	18	18
<b>Total current liabilities</b>	<b>276</b>	<b>257</b>	<b>256</b>	<b>251</b>	<b>254</b>
Long term loans	14	24	25	25	25
Others	27	27	30	30	30
<b>Total non-current liabilities</b>	<b>40</b>	<b>51</b>	<b>54</b>	<b>54</b>	<b>54</b>
<b>Total Liabilities</b>	<b>317</b>	<b>307</b>	<b>310</b>	<b>305</b>	<b>308</b>

### EQUITY

Non-controlling interests	30	25	26	26	25
<b>Shareholder Equity</b>	<b>1,361</b>	<b>1,325</b>	<b>1,486</b>	<b>1,516</b>	<b>1,541</b>

### Valuation Ratios

Y/E Mar	FY14	FY15	FY16	FY17e	FY18e
P/E (X), adj.	20.5	25.2	22.9	21.4	21.1
P/B (X)	3.8	3.3	2.6	2.5	2.4
EV/EBITDA (X), adj.	32.6	33.2	25.7	27.0	21.9
Dividend Yield (%)	4.1	3.5	3.8	4.1	4.2

### Growth & Margins (%)

<b>Growth</b>					
Revenue	2.7%	-4.9%	-0.7%	-2.1%	1.2%
EBITDA	-6.4%	-16.9%	17.0%	-14.7%	23.9%
EBIT	-9.8%	-27.3%	24.3%	-28.7%	44.8%
Net Income, adj.	-1.6%	-31.0%	-1.5%	2.3%	1.5%

### Margins

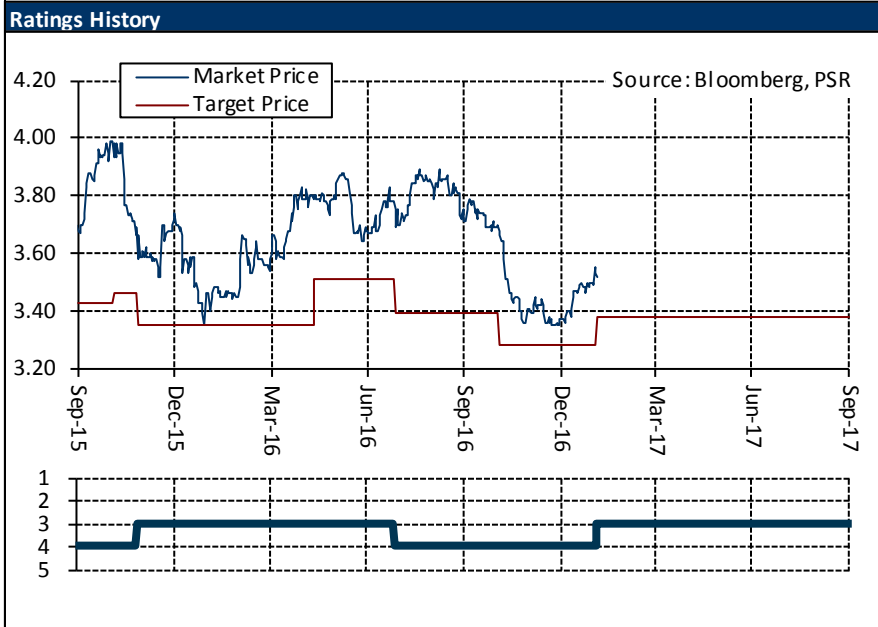
EBITDA margin	13.0%	11.3%	13.3%	11.6%	14.2%
EBIT margin	9.8%	7.5%	9.4%	6.8%	9.8%
<b>Net Profit Margin</b>	<b>23.0%</b>	<b>16.5%</b>	<b>16.3%</b>	<b>30.8%</b>	<b>17.4%</b>

### Key Ratios

ROE	20.0%	13.6%	12.9%	12.3%	12.3%
ROA	15.9%	10.9%	10.4%	10.1%	10.1%
Dividend payout, ordinary	83.8%	88.6%	87.0%	88.0%	89.7%
Net Debt or (Net Cash)	(514)	(431)	(361)	(572)	(555)
Net Gearing (X)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company, Phillip Securities Research (Singapore) Estimates

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



**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)

## 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)

## Transport | REITs (Industrial)

Richard Leow, CFTe, FRM -  
[richardleowwt@phillip.com.sg](mailto:richardleowwt@phillip.com.sg)

## Banking and Finance

Jeremy Teong - [jeremyteongfh@phillip.com.sg](mailto:jeremyteongfh@phillip.com.sg)

## Property | Infrastructure

Peter Ng - [peterngmc@phillip.com.sg](mailto:peterngmc@phillip.com.sg)

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

Dehong Tan - [tandh@phillip.com.sg](mailto:tandh@phillip.com.sg)

## US Equity

Ho Kang Wei - [hokw@phillip.com.sg](mailto:hokw@phillip.com.sg)

## Macro

Pei Sai Teng - [peist@phillip.com.sg](mailto:peist@phillip.com.sg)

## Technical Analysis

Jeremy Ng - [jeremyngch@phillip.com.sg](mailto:jeremyngch@phillip.com.sg)

## Oil &amp; Gas | Energy

Chen Guangzhi - [chengz@phillip.com.sg](mailto:chengz@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, Bangrak,  
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 &amp; 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 12, 15 William 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 &amp; 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 (DGCX)  
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.