

800 Super Holdings Ltd

Oversold!



StocksBnB.com

SINGAPORE | INDUSTRIALS | FY18 RESULTS

- FY18 revenue was within expectation
- Negative surprise of a 4Q18 loss dragged FY18 PATMI 25% lower than our estimate
- One quarter of loss during ramp-up is not representative of normalised business
- Overdone sell-down presents an opportunity to purchase mispriced stock
- Upgrade to BUY from Accumulate; new target price of \$1.03 (previously \$1.30)

Results at a glance

(SGD mn)	FY18	FY17	YoY	Comments
Revenue	151	157	-3.7%	Completion of term contracts and renewal of certain contracts at more competitive prices
EBIT	12.8	21.6	-40.8%	Lower revenue exacerbated by S\$3.07mn or 2.3% higher opex, resulted in lower margin of 8.5% from 13.8%
PATMI	9.2	17.1	-46.5%	

Source: Company, PSR

The Positives

- New sludge treatment facility is already treating sludge and expected to be fully operational by December 2018.** Recall that the contract awarded by the Public Utilities Board was valued at S\$133.65 million for a period of 15.5 years. This implies an *average* annual additional revenue of \$8.6mn going forward.
- Pasir Ris-Bedok PWC contract has commenced and will start contribution in 1Q19.** Recall that the public waste collection (PWC) contract size of \$193.5mn awarded by the National Environmental Agency is for a tenure of 7 years and 4 months (*average* annual additional revenue of \$26.4mn going forward). The Pasir Ris-Bedok sector is an amalgamation of the *former* Pasir Ris-Tampines and Bedok sectors. 800 Super had already taken over the Pasir Ris-Tampines sector since July 2018, and will be taking over the Bedok sector in November 2018.

The Negatives

- Higher than expected manpower costs was the key contributor to earnings miss.** Manpower cost is the largest cost component (53% of FY18 opex); and it came in 20% higher than expected for 4Q18 and consequently 4.6% higher than expected for FY18. (Refer to Appendix on Page 3 for further analysis.)
- YoY weaker balance sheet, but it was expected.** Debt/equity ratio increased substantially YoY from 64% to 105%. Current ratio has decreased YoY from 1.70x to 0.84x, resulting in a net current liability position. Cash has decreased substantially YoY from S\$25.1mn (16% of total assets) to S\$5.6mn (3% of total assets). We had already forecasted a YoY weaker balance sheet, this is not a major surprise. (Refer to Appendix on Page 3 for further analysis.)
- YoY lower dividend and lower payout ratio.** The lower payout ratio is likely due to capex requirements for the Pasir Ris-Bedok PWC contract that commenced in July 2018 (after the June financial year-end).

YoY comparison of dividends

cents/ share	FY18	FY17
Interim	-	1.0
Final	1.0	3.0
EPS	5.12	9.58
Payout ratio (%)	20%	42%

Source: Company, PSR

- \$446k of goodwill from the acquisition of Iwash Laundry fully written off.** The laundry business remains loss-making. However, to put things in context, the goodwill represents only 0.2% of total assets.

3 September 2018

BUY (Upgraded)

LAST CLOSE PRICE	SGD 0.64
FORECAST DIV	SGD 0.02
TARGET PRICE	SGD 1.03
TOTAL RETURN	63.3%

COMPANY DATA

BLOOMBERG CODE:	ESH SP
O/S SHARES (MN):	178.8
MARKET CAP (USD mn / SGD mn):	131/ 179
52 - WK HI/LO (SGD):	128 / 0.99
3M Average Daily T/O (mn):	0.02

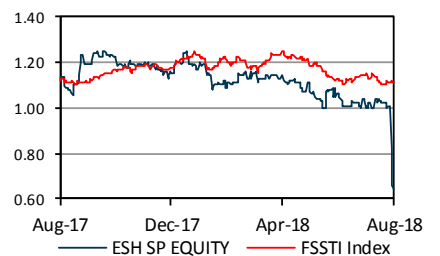
MAJOR SHAREHOLDERS (%)

YONG SEONG INVESTMENT PTE	67.0%
KOH YONG LEE	2.8%
HOCK SEONG LEE	2.8%
CHENG CHYE LEE	2.4%

PRICE PERFORMANCE (%)

	1M TH	3M TH	1Y R
COMPANY	0.0	(5.6)	(12.3)
STIRETURN	(10)	(7.6)	18

PRICE VS. STI



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Jun	FY 17	FY 18	FY 19e	FY 20e
Revenue (SGD mn)	157	151	180	188
PATMI (SGD mn)	17.1	9.2	14.2	14.6
EPS (cents)	9.58	5.12	7.93	8.18
P/E, adj. (x)	13.8	12.9	8.3	8.1
BVPS (cents)	45.1	46.8	53.6	60.2
P/B (x)	2.93	1.41	1.23	1.10
DPS (cents)	4.0	1.0	1.5	2.0
Div. Yield (%)	3.0	1.5	2.3	3.0

Source: Company Data, PSR est.

VALUATION METHOD

DCF (WACC: 6.9%; Terminal g: 15%)

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

Research Analyst

richardleowwt@phillip.com.sg

Outlook

The outlook is positive. In our recent reports, we had been stating our expectation of near-term PATMI weakness due to transitional ramp-up of new projects. The loss reported in 4Q18 is an aberration and the business has not changed structurally. This one quarter of loss is not reflective of future quarters, nor is it a precursor to deterioration of future earnings.

We are expecting 19%/55% YoY higher revenue/PATMI in FY19e, due to contributions from the sludge treatment facility and Pasir Ris–Bedok PWC contract. However, debt is expected to be higher due to capex on vehicles and bins to fulfil the PWC contract. Correspondingly, manpower cost and disposal charge will increase YoY in FY19e due to these two large projects. Disposal charge is expected to trend higher over the next two quarters, in line with higher throughput at the sludge treatment facility. We expect 800 Super to turn free cash flow positive only in FY20e.

Opportunity: The commencement of the Pasir Ris–Bedok PWC contract puts 800 Super in a dominant position to bid more competitively than the former incumbents Veolia (Pasir Ris–Tampines) and SembWaste (Bedok) for the waste removal contracts with condominiums and commercial properties within the sector. This is a potential source of positive earnings surprise in subsequent periods.

Upgrade to BUY from Accumulate; new target price of \$1.03 (previously \$1.30)

Our target price gives an implied FY19e forward P/E multiple of 13.0x. As FY19e is transitional, we think that FY20e is a better representation of a normalised full year. We estimate 8.18 cents EPS and 7.84 cents free cash flow per share in FY20e. The current price of 64 cents/share is 8.2x of FY20e free cash flow per share and gives a 3.1% dividend yield (based on our FY20e assumption of 2 cents).

Appendix

Despite the loss in 4Q18, most of the financial numbers did not show material deviation from our expectations. We believe that the market has over-reacted to this non-recurring loss during this transitional period as new projects come online.

Income Statement review

Though we have not shown our 4Q18 estimates previously, they can be inferred from the difference between our FY18 estimate and the 9M18 actual.

- **Swing factor of manpower cost was materially higher than we had forecast**

Our estimates for 4Q18 expenses were mostly in line, except for manpower cost which was \$3.27mn or 20% higher than we expected. This was the largest swing factor between profit and loss in our 4Q18 estimate.

- Manpower cost is the largest cost component (53% of opex)

- **Headline 43% YoY increase in purchase of supplies and disposal charge in 4Q18 did not come as a surprise**

The scale of increase in purchases of supplies and disposal charges in 4Q18 is merely a continuation of what occurred in 3Q18, which was then 28% higher YoY. We had already assumed higher expense for 4Q18.

- Supplies and disposal charge is the second largest cost component (19% of opex)

Figure 1: Income Statement comparison between our estimate and actual

S\$ mn	Our 4Q18 estimate	4Q18 actual	actual vs. estimate	Our FY18 estimate	FY18 actual	actual vs. estimate
Revenue	35.88	37.900	5.6%	149.09	151.115	1.4%
Other income	0.12	0.121	0.8%	0.50	0.497	-0.6%
Other gain/(loss), net	-	0.002	N.M.	(0.20)	(0.198)	-1.0%
Purchase of supplies and disposal charge	(7.48)	(7.776)	4.0%	(26.65)	(26.939)	1.1%
Sub-contractor charges	(0.90)	(1.033)	14.8%	(3.46)	(3.596)	3.9%
Depreciation of PPE	(3.52)	(3.055)	-13.2%	(10.55)	(10.085)	-4.4%
Other expenses	(5.77)	(7.058)	22.3%	(23.28)	(24.559)	5.5%
Employee benefits expense	(16.14)	(19.411)	20.3%	(70.32)	(73.587)	4.6%
Finance expenses	(0.54)	(0.384)	-28.9%	(1.06)	(0.901)	-15.0%
Profit before income tax	1.63	(0.694)	N.M.	14.07	11.747	-16.5%
Income tax expense	(0.29)	(0.977)	236.9%	(1.94)	(2.629)	35.5%
Net profit for the year	1.34	(1.671)	N.M.	12.13	9.118	-24.8%
Non-controlling interests	(0.01)	(0.017)	N.M.	(0.03)	(0.037)	23.3%
PATMI	1.34	(1.654)	N.M.	12.16	9.155	-24.7%

Source: Company, PSR estimates

Balance Sheet review

- **YoY weakness does not come as a surprise**

As indicated by the three financial ratios at the end of the Figure 2, we had forecast a weaker balance sheet.

- **YoY lower ending cash, as internal resource was used to fund capex**

The increase in total debt of \$37.1mn was lower than the \$66.6mn increase in PPE. The YoY lower cash is a reflection of the use of internal resource to partially fund the capex. Also, debt/equity ratio employed for the additional PPE was 126%, which contributed to the higher gearing.

Figure 2: Balance Sheet comparison between our estimate and actual

S\$ mn	Our FY18 estimate	FY18 actual	FY17 actual
ASSETS			
PPE	153.9	166.0	99.4
Others	1.5	1.5	1.5
Total non-current assets	155.4	167.5	100.9
Trade receivables	28.8	34.7	30.3
Cash	6.0	5.6	25.1
Others	1.6	1.8	1.7
Total current assets	36.4	42.1	57.1
Total Assets	191.8	209.6	158.0
LIABILITIES			
Trade payables	19.2	31.9	20.2
Short term loans	11.0	18.5	11.0
Others	2.9	1.1	2.9
Total current liabilities	33.1	51.6	34.1
Long term loans	69.0	70.5	41.0
Others	2.3	3.8	2.3
Total non-current liabilities	71.3	74.3	43.3
Total Liabilities	104.4	125.9	77.4
EQUITY			
Non-controlling interest:	(0.0)	(0.0)	(0.0)
Shareholder Equity	87.5	83.8	80.6
Debt/equity	92%	106%	65%
Current ratio	1.10x	0.82x	1.68x
Cash/total assets	3%	3%	16%

Source: Company, PSR estimates

Financials

Income Statement

Y/E Jun, SGD mn	FY16	FY17	FY18	FY19e	FY20e
Revenue	156.4	156.9	151.1	180.2	187.6
Other income	0.4	0.4	0.5	0.5	0.6
EBITDA	27.9	30.6	22.9	31.6	32.8
Depreciation & Amortisation	(8.2)	(9.0)	(10.1)	(14.6)	(15.4)
EBIT	19.7	21.6	12.8	17.0	17.4
Net Finance (Expense)/Inc	(1.0)	(0.7)	(0.8)	(0.8)	(0.6)
Other items	(0.13)	(0.10)	(0.20)	-	-
Profit Before Tax	18.6	20.8	11.7	16.2	16.8
Taxation	(1.9)	(3.7)	(2.6)	(2.1)	(2.2)
Profit After Tax	16.7	17.1	9.1	14.2	14.6
- Non-controlling interest	-	(0.03)	(0.04)	(0.03)	(0.03)
PATMI	16.7	17.1	9.2	14.2	14.6

Per share data (cents)

Y/E Jun	FY16	FY17	FY18	FY19e	FY20e
EPS	9.36	9.58	5.12	7.93	8.18
DPS	2.50	4.00	1.00	1.50	2.00
BVPS	39.39	45.09	46.82	53.59	60.22

Cash Flow

Y/E Jun, SGD mn	FY16	FY17	FY18	FY19e	FY20e
CFO					
Net income	16.7	17.1	9.1	14.2	14.6
Adjustments	11.3	13.4	14.1	17.5	18.2
WC changes	7.5	2.5	(5.0)	(1.1)	(0.3)
Cash generated from ops	35.5	33.0	18.2	30.5	32.5
Others	(2.8)	(3.4)	(2.4)	(2.8)	(2.8)
Cashflow from ops	32.7	29.6	15.8	27.6	29.7
CFI					
CAPEX, net	(12.9)	(24.6)	(56.1)	(33.2)	(15.7)
Others	(0.03)	(0.35)	(5.46)	-	-
Cashflow from investments	(12.9)	(24.9)	(61.5)	(33.2)	(15.7)
CFF					
Share issuance, net	-	0.02	-	-	-
Loans, net of repayments	(5.6)	6.0	32.5	16.0	(5.0)
Dividends	(3.6)	(6.3)	(5.4)	(1.8)	(2.7)
Others	-	-	(0.9)	-	-
Cashflow from financing	(9.1)	(0.3)	26.3	14.2	(7.7)
Net change in cash	10.7	4.4	(19.5)	8.6	6.3
Effects of exchange rates	(0.1)	0.1	(0.0)	-	-
CCE, end	20.6	25.1	5.6	14.2	20.6

Source: Company, Phillip Securities Research (Singapore) Estimates

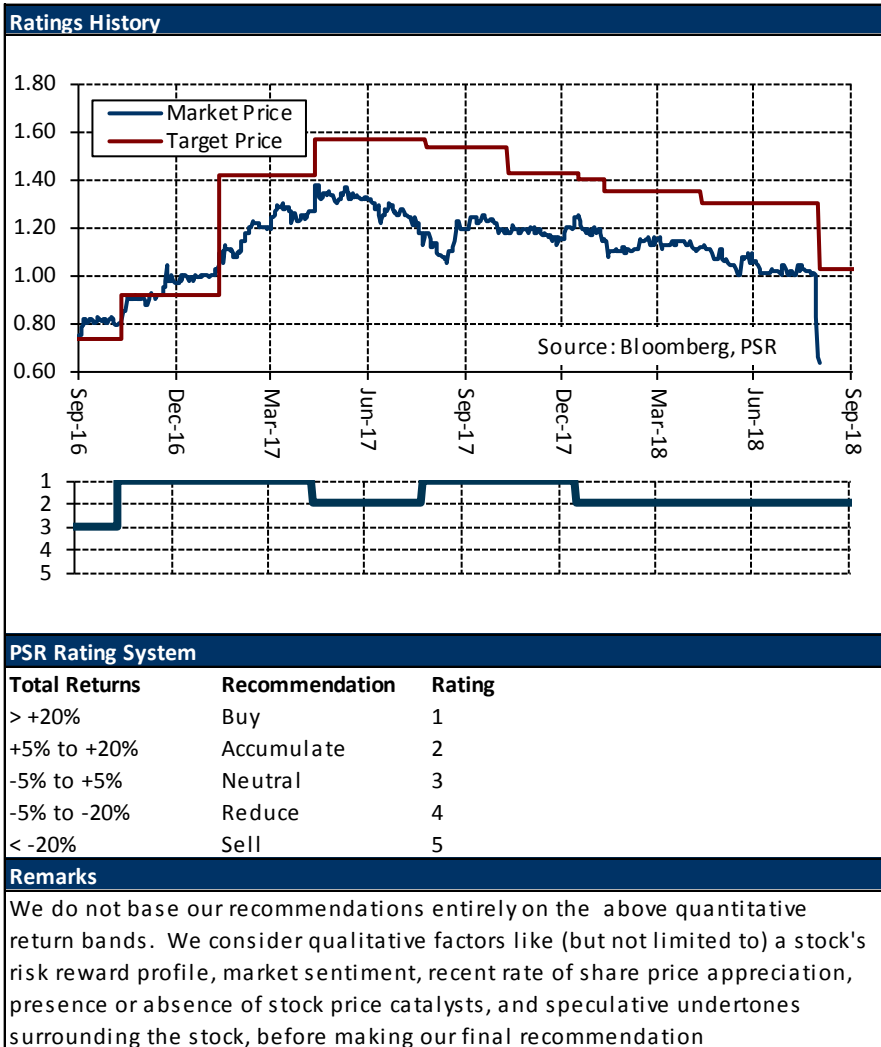
*Forward multiples & yields based on current market price; historical multiples & yields based on historical market price.

Balance Sheet

Y/E Jun, SGD mn	FY16	FY17	FY18	FY19e	FY20e
ASSETS					
PPE	84	99	166	185	185
Others	1	1	1	1	1
Total non-current assets	85	101	167	186	186
Trade receivables	34	30	35	41	43
Cash	21	25	6	14	21
Others	2	2	2	2	2
Total current assets	56	57	42	58	66
Total Assets	141	158	210	244	252
LIABILITIES					
Trade payables	21	20	32	38	40
Short term loans	11	11	19	2	2
Others	3	3	1	1	1
Total current liabilities	35	34	52	41	42
Long term loans	35	41	71	104	99
Others	1	2	4	4	4
Total non-current liabilities	36	43	74	107	102
Total Liabilities	71	77	126	148	145
EQUITY					
Non-controlling interests	-	(0)	(0)	(0)	(0)
Shareholder Equity	70	81	84	96	108

Valuation Ratios

Y/E Jun	FY16	FY17	FY18	FY19e	FY20e
P/E (x), adj.	7.3	13.8	12.9	8.3	8.1
P/B (x)	1.7	2.9	1.4	1.2	1.1
EV/EBITDA (x), adj.	5.3	8.6	8.8	6.6	6.0
Dividend Yield (%)	3.7	3.0	1.5	2.3	3.0
Growth & Margins (%)					
Growth					
Revenue	11.5%	0.3%	-3.7%	19.2%	4.1%
EBITDA	3.2%	9.6%	-25.3%	38.3%	3.8%
EBIT	-1.6%	9.4%	-40.8%	33.1%	2.4%
Net Income	37.6%	2.3%	-46.5%	54.9%	3.2%
Margins					
EBITDA margin	17.9%	19.5%	15.1%	17.5%	17.5%
EBIT margin	12.6%	13.8%	8.5%	9.4%	9.3%
Net Profit Margin	10.7%	10.9%	6.1%	7.9%	7.8%
Key Ratios					
ROE (%)	26.2%	22.7%	11.1%	15.8%	14.4%
ROA (%)	12.7%	11.4%	5.0%	6.3%	5.9%
Debt-to-Equity (x)	0.65	0.65	1.06	1.10	0.93
Net Debt or (Net Cash)	25.2	26.9	83.5	90.8	79.5
Net Gearing (x)	0.36	0.33	1.00	0.95	0.74



Contact Information (Singapore Research Team)

Head of Research

Paul Chew – paulchewkl@phillip.com.sg

Marketing & Operations

Mohamed Amiruddin – amiruddin@phillip.com.sg

Banking and Finance

Tin Min Ying – tinmy@phillip.com.sg

Oil & Gas | Energy

Chen Guangzhi – chengz@phillip.com.sg

Telco | Technology

Alvin Chia – alvinchiawy@phillip.com.sg

Transport | REITs (Industrial)

Richard Leow – richardleowwt@phillip.com.sg

REITs (Commercial, Retail, Healthcare) | Property

Dehong Tan – tandh@phillip.com.sg

Technical Analysis

Jeremy Ng – jeremyngch@phillip.com.sg

REITs (Commercial, Retail, Healthcare) | Property

Tara Wong – tarawongsi@phillip.com.sg

China/HK Equity

Zheng Jieyuan – zhengjy@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

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

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

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

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

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

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

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

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

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

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

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

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

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

SRI LANKA

Asha Phillip Securities Limited

2nd 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

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.