

Oversea-Chinese Banking Corp Ltd

Creation of Franchise Value in Greater China

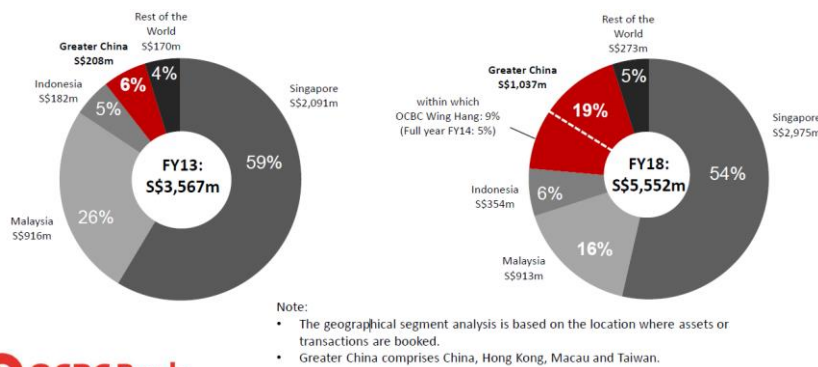
SINGAPORE | BANKING | UPDATE

- We attended OCBC's Greater China Media and Sell-Side Analysts Briefing in Hong Kong and Macau on the 13th and 14th August 2019.
- The event shared insights and updates on the Group's growth and transformation journey in Greater China over the last 5 years, as well as plans to continue to grow in the region.
- Since the Wing Hang acquisition, earnings from Greater China tripled to 18% and AUM from wealth management tripled.
- Maintain ACCUMULATE at a slightly lower TP of \$12.32 (previous TP: \$12.50).** We increased our credit cost assumptions to 23 bps (previously 20 bps), and lowered our loan growth estimate to 4.0% (previously 4.4%).

Franchise value creation

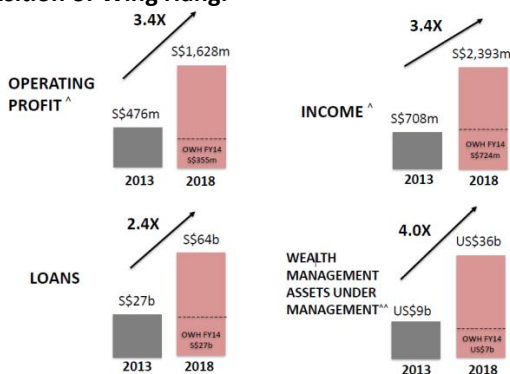
Since the acquisition of Wing Hang Bank in 2H14, contribution from Greater China increased from 6% in FY13 to 19% in FY18 (Figure 1). The acquisition of Wing Hang bank created *franchise value* of S\$600mn in FY18, which is the difference between the S\$1,037mn (Figure 1) earnings recorded on the Greater China legal entity basis (where transactions or assets are booked) and the S\$1,628mn (Figure 2) earnings based on internal management reports that includes Greater China earnings generated from outside China.

Figure 1: Profit before tax by geography showed earnings from Greater China tripling in 5 years.



Source: OCBC

Figure 2: The group enhanced franchise value through 'merger of scope' after the acquisition of Wing Hang.



Source: OCBC



StocksBnB.com

2 September 2019

ACCUMULATE (Maintained)

| | |
|---------------------|--------------|
| LAST CLOSE PRICE | SGD 10.65 |
| FORECAST DIV | SGD 0.48 |
| TARGET PRICE | SGD 12.32 |
| TOTAL RETURN | 20.2% |

COMPANY DATA

| | |
|------------------------------|---------------|
| BLOOMBERG TICKER | OCBC SP |
| O/S SHARES (MN) | 4,318 |
| MARKET CAP (USD mn / SGD mn) | 33042 / 45896 |
| 52 - WK HI/LO (SGD) | 12.19 / 10.36 |
| 3M Average Daily T/O (mn) | 5.43 |

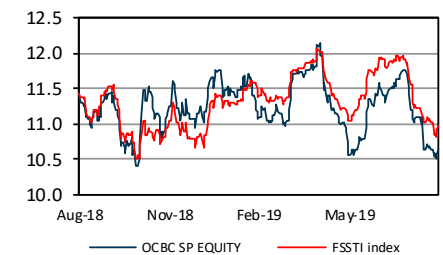
MAJOR SHAREHOLDERS (%)

| | |
|--------------------------|-------|
| Selat Pte Limited | 11.7% |
| Lee Foundation Singapore | 4.4% |
| Vanguard Group Inc | 2.7% |

PRICE PERFORMANCE (%)

| | 1MTH | 3MTH | YTD |
|------------|-------|-------|-------|
| COMPANY | (7.6) | (0.7) | (2.1) |
| STI RETURN | (7.0) | (1.2) | 4.0 |

PRICE VS. STI



Source: Bloomberg, P SR

KEY FINANCIALS

| Y/E Dec (SGD mn) | FY17 | FY18 | FY19e | FY20e |
|------------------|-------|-------|--------|--------|
| Total Income | 7,595 | 9,701 | 10,544 | 11,001 |
| Op. Profit | 4,938 | 5,097 | 5,170 | 6,089 |
| NPAT, adj. | 2,454 | 4,492 | 4,705 | 5,505 |
| EPS (SGD) | 1.00 | 1.06 | 1.09 | 1.28 |
| PER, adj. (x) | 10.6 | 10.1 | 9.7 | 8.3 |
| P/BV, x | 1.2 | 1.1 | 1.1 | 1.0 |
| ROE | 6.6% | 11.3% | 11.2% | 12.5% |

Source: Bloomberg, Company, P SR

Valuation Method:

Gordon Growth Model (COE: 9%, g: 2%)

Tin Min Ying (+65 6212 1853)

Research Analyst

tinmy@phillip.com.sg

Greater China – the Group’s largest market outside Singapore

OCBC executed its Greater Bay Area (GBA) strategy in 2017, identifying Hong Kong, Macau and the Pearl Delta Region as targets to strengthen core banking business in Greater China by capturing trade, capital and wealth flows in and out of GBA.

Moving forward, the Group will be expanding its strategy and focus on 3 key regions in Greater China; namely the Jing-Jin-Ji region, Yangtze River Delta region and the Greater Bay Area (Figure 3). The Group expects synergy between the Group’s Greater China and ASEAN franchise as they capture flows from supply chain re-positioning in these two regions.

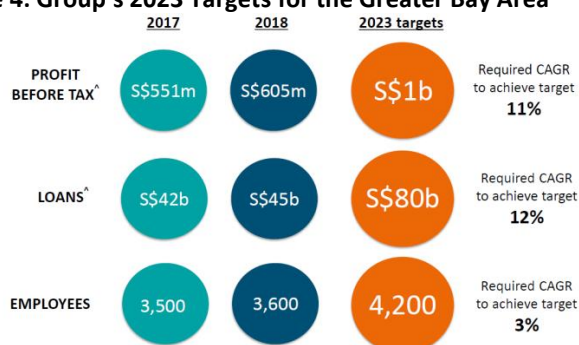
The GBA registered PBT of S\$605mn in FY18, making up 58% of Greater China’s PBT of S\$1,037mn. The Group targets to hit S\$1bn in PBT from the GBA by 2023, representing a 5-year CAGR of 11%; supported by loans growth of 12%/year to reach S\$80bn by 2023 (Figure 4).

Figure 3: OCBC will be focusing on 3 key regions in Greater China



Source: OCBC

Figure 4: Group’s 2023 Targets for the Greater Bay Area



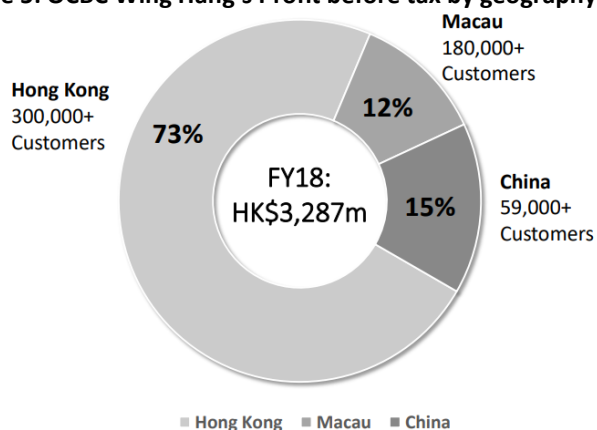
Source: OCBC

^A Based on internal management reports that reflect a more complete picture of the Greater Bay Area franchise value.

Hong Kong the core contributor to OCBC Wing Hang

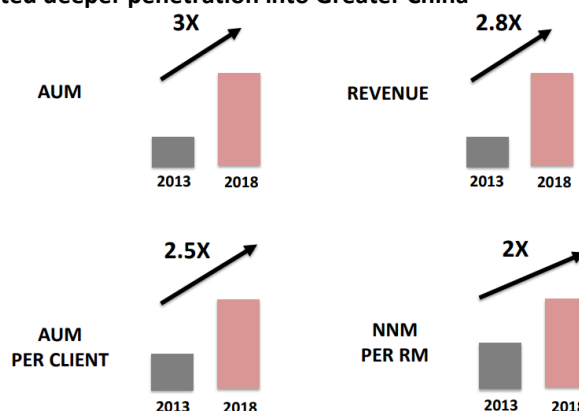
Hong Kong contributed 73% to OCBC Wing Hang’s (OWH) earnings in FY18 (Figure 5). OWH has been on a growth strategy since 2017 to increase existing and new customer franchise, create new revenue streams and improve productivity; by implementing the GBA strategy and three year digitilisation plan with an investment of HK\$400mn since 2018. The merger of the two China entities (OCBC China and Wing Hang China) to form OCBC Wing Hang China streamlined processes. In addition, the hubbing of Macau Treasury to Hong Kong and integration of Financial Institutions Business from the Hong Kong Branch resulted in CIR improvement of 5.5 p.p. to 46.9% in FY18 (FY17: 52.4%).

Figure 5: OCBC Wing Hang’s Profit before tax by geography



Source: OCBC

Figure 6: Increased connectivity between the 3 legal entities created deeper penetration into Greater China



Source: OCBC

Integration of capabilities between Bank of Singapore, OCBC Wing Hang, and OCBC Hong Kong

The increased connectivity between Bank of Singapore (BOS), OWH and OCBC HK created a comprehensive suite of product and service offerings as well as cross referral of clients across consumer banking, corporate banking, investment banking, treasury and market and private banking. As a result, Greater China’s AUM and revenue tripled between 2013 and 2018; along with 2018’s AUM/client being 2.5x that of 2013’s. All these reflects OCBC’s ability to increase its pool of high net worth clients.

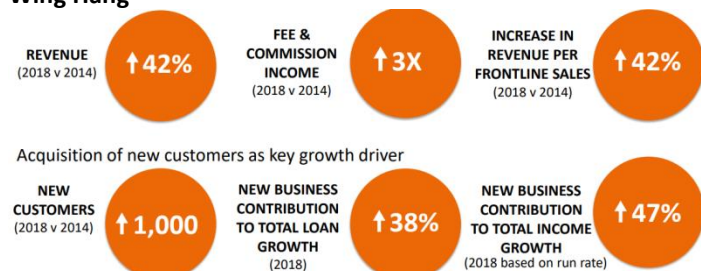
OCBC Wing Hang's single integrated platform for SMEs and Consumers

Unlike OWH's Hong Kong competitors, OWH's differentiating approach is to serve both SME businesses and individuals within the same branch. This is to serve time-starved SME business owners faster in conveniently-located retail branches instead of being directed to a specific SME banking branch. OWH's differentiation strategy proved effective as seen in a 5x increase in new-to-bank customers and 50% increase in SME customers between 2014 and 2018. In addition, 53% of OWH's SME customers are also consumer customers.

Corporate banking synergy - Bank of Singapore and OCBC Wing Hang

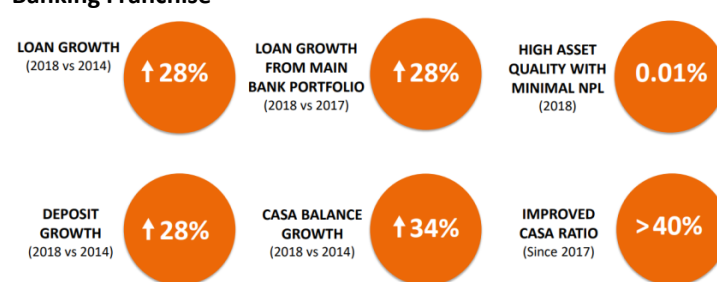
OWH's corporate clients from Hong Kong now have access to the entire product suite of OCBC Group, opening doors and providing support for corporates across the region. As a result, there is a 5x increase in referral, 3x increase in Treasury advisory income and 10x rise in corporate wealth management income between 2014 and 2018. Relationship-stickiness resulted in a 2x increase in revenue per customer between 2014 and 2018.

Figure 7: Achievement of broad-based income growth in OCBC Wing Hang



Source: OCBC

Figure 8: Robust growth across OCBC Wing Hang Corporate Banking Franchise

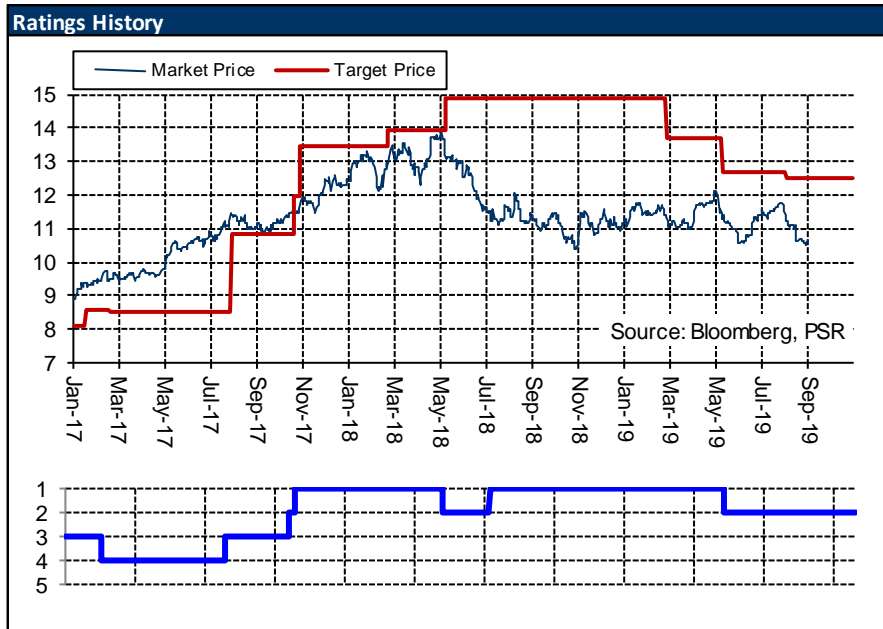


Source: OCBC

Maintain ACCUMULATE at a slightly lower TP of \$12.32 (previous TP: \$12.50). We increased our credit cost assumptions to 23 bps (previously 20 bps), and lowered our loan growth estimate to 4.0% (previously 4.4%).

We are positive on continued growth in OCBC's Greater China franchise with China remaining as the largest economic activity generator in Asia. OCBC's market share in Hong Kong and China is small, meaning there is still room for quality loan growth without affecting credit quality. In fact, Greater China's NPL ratio is the lowest in all of OCBC's regions, at 0.5% for OWH while group NPL stood at 1.5%.

However, the US-China trade tension may result in some deterioration in asset quality and more provisions, along with additional risks of slower loan and fees growth. The recent unrest in Hong Kong brings uncertainty in business and investor sentiment as well. OCBC does not expect the protest to pose a threat in the medium to long term and expects the protest to be resolved. OCBC does not expect its medium to long term targets to change and suggested no noticeable increase in outflow from Hong Kong because of recent events. We believe OCBC's share price could be volatile in the near term due to expectations of inorganic expansion (management expressed the need for strong capital levels amid volatile markets and for market opportunities and acquisitions).



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

Financials

Income Statement

| Y/E Dec, SGD mn | FY16 | FY17 | FY18 | FY19e | FY20e |
|-------------------------------|--------------|--------------|--------------|---------------|---------------|
| Net Int Income | 5,052 | 5,423 | 5,890 | 6,277 | 6,372 |
| Fees and Commission | 1,638 | 1,017 | 2,030 | 2,240 | 2,565 |
| Other Non int income | 1,799 | 1,155 | 1,781 | 2,040 | 2,094 |
| Total operating income | 8,489 | 7,595 | 9,701 | 10,557 | 11,032 |
| Operating expenses | 3,789 | 2,246 | 4,214 | 4,589 | 4,811 |
| Provisions and others | 821 | 411 | 390 | 730 | 133 |
| Operating profit | 3,879 | 4,938 | 5,097 | 5,238 | 6,087 |
| Associates & JVs | 396 | 316 | 456 | 593 | 652 |
| Profit Before Tax | 4,275 | 5,254 | 5,553 | 5,831 | 6,740 |
| Taxation | 629 | 803 | 878 | 922 | 1,066 |
| Profit After Tax | 3,646 | 4,451 | 4,675 | 4,909 | 5,674 |
| Non-controlling Interest | 173 | 80 | 183 | 147 | 170 |
| Net Income, reported | 3,473 | 4,371 | 4,492 | 4,762 | 5,504 |
| Net Income, adj. | 3,473 | 2,454 | 4,492 | 4,761 | 5,504 |

Balance Sheet

| Y/E Dec, SGD mn | FY16 | FY17 | FY18 | FY19e | FY20e |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash bal with central banks | 16,559 | 19,594 | 18,748 | 19,194 | 31,510 |
| Due from banks | 39,801 | 49,377 | 39,035 | 37,239 | 37,613 |
| Debt and equity securities | 23,157 | 25,329 | 25,542 | 25,297 | 25,550 |
| Loans and bills receivable | 216,830 | 234,141 | 255,193 | 267,163 | 269,771 |
| Life Assur. Fund Inv. Assets | 61,973 | 73,927 | 76,867 | 79,173 | 81,548 |
| Others | 51,564 | 52,527 | 52,158 | 51,523 | 52,039 |
| Total Assets | 409,884 | 454,895 | 467,543 | 479,588 | 498,032 |
| Due to banks | 10,740 | 7,485 | 7,576 | 9,676 | 8,379 |
| Due to non-bank customers | 261,486 | 283,642 | 295,412 | 303,305 | 317,281 |
| Life Assur. Fund Liabilities | 61,962 | 73,755 | 74,928 | 77,176 | 79,491 |
| Debts issued | 19,947 | 32,235 | 30,272 | 27,590 | 28,473 |
| Others | 16,107 | 15,985 | 15,963 | 16,431 | 16,913 |
| Total liabilities | 370,242 | 413,102 | 424,151 | 434,177 | 450,536 |
| Shareholder's equity | 37,007 | 39,028 | 42,137 | 44,008 | 45,923 |
| Non-controlling interest | 2,635 | 2,765 | 1,255 | 1,402 | 1,572 |
| Total Equity | 39,642 | 41,793 | 43,392 | 45,411 | 47,496 |

Per share data (SGD)

| Y/E Dec | FY16 | FY17 | FY18 | FY19e | FY20e |
|-----------------------|------|------|------|-------|-------|
| EPS, reported | 0.83 | 1.00 | 1.06 | 1.11 | 1.28 |
| EPS, adj. | 0.83 | 1.00 | 1.06 | 1.11 | 1.28 |
| DPS | 0.36 | 0.37 | 0.43 | 0.49 | 0.55 |
| BVPS | 8.61 | 9.08 | 9.68 | 9.99 | 10.47 |
| Dividend payout ratio | 43% | 37% | 41% | 44% | 43% |

Supplementary items

| Y/E Dec | FY16 | FY17 | FY18 | FY19e | FY20e |
|------------|-------|-------|-------|-------|-------|
| CET1 CAR | 14.7% | 13.9% | 14.0% | 13.4% | 14.1% |
| Tier 1 CAR | 15.2% | 15.0% | 14.8% | 14.1% | 14.8% |
| Total CAR | 17.2% | 17.2% | 16.5% | 15.8% | 16.5% |

Valuation Ratios

| Y/E Dec | FY16 | FY17 | FY18 | FY19e | FY20e |
|----------------|------|------|------|-------|-------|
| P/E (X), adj. | 12.8 | 10.6 | 10.1 | 9.6 | 8.3 |
| P/B (X) | 1.2 | 1.2 | 1.1 | 1.1 | 1.0 |
| Dividend Yield | 3.4% | 3.5% | 4.0% | 4.6% | 5.2% |

Growth & Margins

| Y/E Dec | FY16 | FY17 | FY18 | FY19e | FY20e |
|--------------------------------|--------|-------|--------|-------|-------|
| Growth | | | | | |
| Net int income | -2.6% | 7.3% | 8.6% | 6.6% | 1.5% |
| Non int income | -2.7% | 24.4% | -10.9% | 12.3% | 8.9% |
| Pre provision operating profit | -2.7% | 14.2% | 0.0% | 8.8% | 4.5% |
| Operating income | -13.3% | 25.8% | 4.4% | 2.7% | 16.2% |
| Net income, reported | -11.0% | 20.8% | 7.1% | 6.0% | 15.6% |
| Net income, adj | -11.0% | 20.8% | 7.1% | 6.0% | 15.6% |
| Margins | | | | | |
| Net interest margin | 1.67% | 1.65% | 1.70% | 1.74% | 1.73% |

Key Ratios

| Y/E Dec | FY16 | FY17 | FY18 | FY19e | FY20e |
|----------------------------|-------|-------|-------|-------|-------|
| ROE | 10.0% | 6.6% | 11.3% | 11.3% | 12.5% |
| ROA | 1.0% | 0.6% | 1.1% | 1.2% | 1.3% |
| RORWA | 1.8% | 1.3% | 2.2% | 2.2% | 2.5% |
| Non-int/total income ratio | 40.5% | 28.6% | 39.3% | 40.5% | 42.2% |
| Cost/income ratio | 44.6% | 29.6% | 43.4% | 43.5% | 43.6% |
| Loan/deposit ratio | 82.9% | 82.5% | 86.4% | 88.1% | 85.0% |
| NPL ratio | 1.3% | 1.4% | 1.5% | 1.5% | 1.5% |

Source: Company, Phillip Securities Research (Singapore) Estimates

Contact Information (Singapore Research Team)
Head of Research

 Paul Chew – paulchewkl@phillip.com.sg
Research Admin

 Siti Nursyazwina - syazwina@phillip.com.sg
Banking & Finance | Healthcare

 Tin Min Ying – tinmy@phillip.com.sg
Property | REITs | Transport

 Natalie Ong - natalieongpf@phillip.com.sg
Telco | Technology

 Alvin Chia - alvinchiawy@phillip.com.sg
China/HK Equity

 Zheng Jieyuan – zhengjy@phillip.com.sg
US Equity

 Edmund Xue – edmundxuejj@phillip.com.sg
Technical Analysis

 Chua Wei Ren – chuawr@phillip.com.sg
Credit Analysis

 Timothy Ang – timothyang@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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 license 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.