

# Thai Beverage PLC

Beer losing (from) interest



StocksBnB.com

SINGAPORE | CONSUMER | 4Q19 RESULTS

26 November 2019

- Revenue and earnings were below our forecast. Earnings suffered from less fair value gains in associate Frasers Property (FPL) and loss in the beer division.
- Volumes were healthy for spirits and beer but gross margins suffered. More than 100% of 4Q19 PATMI is from the spirits division.
- Dividends for the year raised by 23% to Bt0.48 (S\$0.021).
- Downgrade to REDUCE. We lowered our SOTP-derived TP to S\$0.80 (previously S\$0.83) as we cut FY20e earnings by 5%. We lowered our margins and raised interest expense estimates. Outlook for FY20e is dependent on government support for farm income. Earnings from Sabeco will be under pressure from interest expenses and contribution to the group will be minimal.

## Results at a glance

THB' trn	4Q19	4Q18	YoY	Comments
<b>PATMI (excl. non recurring costs)</b>				
Spirits	4.17	3.53	18.2%	Higher spirit volumes and better margins
Beer	(0.30)	(0.37)	-17.5%	Volumes rose but hit by lower margins and higher interest expenses
Non-alcoholic beverages	(0.44)	(0.41)	6.6%	No signs of turnaround.
Food	0.01	0.12	-94.8%	
F&N/FPL	(0.02)	0.22	-109.2%	Less fair value gains from FPL.
	<u>3.42</u>	<u>3.08</u>	<u>10.7%</u>	

Source: Company, PSR

## The Positives

**+ Healthy volumes for spirits and beer.** Spirits volume jumped 14% YoY (Thailand +11.7%, Myanmar +29.1%). Thailand recovered from an exceptionally weak quarter a year ago where volumes plunged 26%. Myanmar recovered from supply chain and bottling issues in 3Q19. These issues have been resolved. Beer volumes in Thailand jumped 17.3% YoY, whilst Sabeco's volume rose 9.2% YoY.

**+ Higher dividends.** The company continued with its committed dividend payout policy of not less than 50%.

## The Negatives

**- Beer under pressure from interest expenses.** Despite the improvement in volumes and revenues, gross margins fell from 23.1% to 21.5%. Earnings were further suppressed by the 8% rise in net interest expense of Bt965mn in 4Q19. Highest level of interest since the acquisition. The higher interest expense was due to refinancing from lower variable rates to higher fixed rates.

**- Less fair value gains from FPL.** Another driver of weaker earnings in 4Q19 was lower earnings at FPL. We estimate FPL recorded net FV gains (after exceptionals) of S\$119mn in 4Q19 versus S\$440mn a year ago.

## REDUCE (Downgraded)

LAST CLOSE PRICE	SGD 0.890
FORECAST DIV	SGD 0.023
TARGET PRICE	SGD 0.800
TOTAL RETURN	-7.5%

## COMPANY DATA

BLOOMBERG CODE	THBEV SP
O/S SHARES (MN):	25,114
MARKET CAP (USD mn / SGD mn):	16376 / 22351
52 - WK HI/LO (SGD):	0.96 / 0.58
3M Average Daily T/O (mn):	12.86

## MAJOR SHAREHOLDERS

SIRIWANA COMPANY LIMITED	45.3%
MAXTOP MANAGEMENT CORP	20.6%

## PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	(3.3)	(4.3)	37.9
STIRETURN	2.39	3.55	10.45

## PRICE VS. STI



Source: Bloomberg, PSR

## KEY FINANCIALS

Y/E Sep	FY18	FY19	FY20e	FY21e
Revenue (THB bn)	229.7	267.4	279.1	288.7
EBITDA (THB bn)	34.8	40.9	42.7	44.2
NPAT, adj. (THB bn)	21.0	23.3	26.0	26.8
EPS, adj. (THB)	0.74	0.93	1.03	1.07
EPS, adj. (SCents)	3.07	4.06	4.58	4.61
PER, adj. (x)	29.0	21.9	19.4	19.3
P/BV, (x)	4.5	4.3	3.8	3.5
DPS (THB)	0.39	0.48	0.52	0.53
DPS (SCents)	1.59	2.17	2.34	2.41
Div Yield	1.7%	2.4%	2.6%	2.7%
ROE	16.8%	19.6%	21.2%	19.7%

Source: Company Data, PSR

## Valuation Method

Sum-of-parts EV/EBITDA

Paul Chew (+65 6212 1851)

Head Of Research

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

## Outlook

The company has a strong market share in their respective products and possess the ability to raise prices especially in Myanmar and Vietnam. In the medium term, we are negative for two primary reasons – (i) Sabeco will remain an earnings drag to the group due to high-interest expenses; (ii) Soft consumer spending in Thailand that will be dependent on government support. Furthermore, we view spirits consumption in Thailand to have reached maturity.

## Downgrade to REDUCE with SOTP-derived TP of S\$0.80

We downgrade our recommendation to REDUCE. Our lower SOTP-derived TP of S\$0.80 (previously S\$0.83) was due to a 5% cut in our FY20e earnings forecast. We lowered our margins and raised interest expense estimates. Outlook for FY20e is dependent on government support for farm income. Earnings from Sabeco will be under pressure from interest expenses and contribution to the group will be minimal.

**Figure 1: Further details of the results**

### Results at a glance

THB <sup>1</sup> trn	4Q19	4Q18	YoY	Comments
Spirits	26.0	23.7	9.8%	Sales volume +14.2% YoY
Beer	27.7	24.7	12.3%	Sales volume +11.3%
Non-alcoholic beverages	4.5	3.8	20.9%	
Food	3.9	3.9	0.5%	
<b>Total Revenue</b>	<b>62.1</b>	<b>56.0</b>	<b>10.9%</b>	
Gross profit	17.7	16.3	8.7%	Higher bottle cost due to new format
Core EBITDA, ex. FNN/FPL and non-recurring cost	8.8	7.9	11.8%	
Net interest expense	-1.4	-1.6	-10.3%	
Associates	0.2	0.9	-74.6%	
NPAT	4.2	4.4	-5.1%	
<b>PATMI</b>	<b>3.4</b>	<b>3.7</b>	<b>-7.8%</b>	
<b>Margins</b>				
Gross	28.6%	29.2%	-0.6%	
Core EBITDA	14.1%	14.0%	0.1%	
PATMI	5.5%	6.6%	-1.1%	

Source: Company, PSR

## Financials

### Income Statement

Y/E Sep, THB mn	FY17	FY18	FY19	FY20e	FY21e
<b>Revenue</b>	<b>189,997</b>	<b>229,695</b>	<b>267,357</b>	<b>279,094</b>	<b>288,699</b>
Gross profit	58,099	67,218	77,391	81,724	84,399
<b>EBITDA</b>	<b>32,675</b>	<b>34,789</b>	<b>40,913</b>	<b>42,677</b>	<b>44,161</b>
Depreciation & Amortisation	-4,308	-5,759	-6,634	-6,560	-7,060
<b>EBIT</b>	<b>28,367</b>	<b>29,030</b>	<b>34,279</b>	<b>36,117</b>	<b>37,101</b>
Associates & JVs	4,073	4,230	4,845	4,186	4,330
Other items	8,311	-3,664	-1,807	952	817
Net Finance Inc/(Exp)	-939	-4,261	-6,006	-6,100	-5,828
<b>Profit Before Tax</b>	<b>39,812</b>	<b>25,335</b>	<b>31,312</b>	<b>35,155</b>	<b>36,421</b>
Taxation	-5,132	-4,609	-5,229	-5,976	-6,192
<b>Profit After Tax</b>	<b>34,681</b>	<b>20,726</b>	<b>26,083</b>	<b>29,179</b>	<b>30,230</b>
- Non-controlling interest	171	2,196	2,810	3,210	3,476
<b>Net profit, reported</b>	<b>34,510</b>	<b>18,530</b>	<b>23,272</b>	<b>25,969</b>	<b>26,753</b>
<b>Net profit, adj.</b>	<b>26,013</b>	<b>20,988</b>	<b>23,272</b>	<b>25,969</b>	<b>26,753</b>

### Per share data (THB)

Y/E Sep	FY17	FY18	FY19	FY20e	FY21e
EPS, reported	1.37	0.74	0.93	1.03	1.07
EPS, adj.	1.01	0.75	0.90	1.01	1.02
DPS	0.67	0.39	0.48	0.52	0.53
BVPS	5.13	4.82	4.61	5.13	5.66

### Per share data (SGD Cents)\*

Y/E Sep	FY17	FY18	FY19	FY20e	FY21e
EPS, reported	5.41	3.02	4.19	4.68	4.82
EPS, adj.	3.98	3.07	4.06	4.58	4.61
DPS	2.64	1.59	2.17	2.34	2.41
BVPS	20.20	19.72	20.88	23.21	25.63

### Cash Flow

Y/E Sep, THB mn	FY17	FY18	FY19	FY20e	FY21e
<b>CFO</b>					
<b>EBIT</b>	<b>28,367</b>	<b>29,030</b>	<b>34,279</b>	<b>36,117</b>	<b>37,101</b>
Depreciation & Amortisation	-4,308	-5,759	-6,634	-6,560	-7,060
WC changes	99	-259	3,810	-4,475	-1,541
Tax paid	-3,635	-6,965	-6,024	-5,976	-6,192
Others	434	-3,833	-224	952	817
<b>Cashflow from ops</b>	<b>29,573</b>	<b>22,280</b>	<b>38,476</b>	<b>33,178</b>	<b>37,246</b>
<b>CFI</b>					
CAPEX, net	-5,399	-6,907	-5,664	-6,419	-6,640
Others	2,346	-185,190	-2,781	487	320
<b>Cashflow from investments</b>	<b>-3,053</b>	<b>-192,098</b>	<b>-8,445</b>	<b>-5,932</b>	<b>-6,320</b>
<b>CFF</b>					
Share issuance, net	0	0	0	0	0
Loans, net of repayments	-6,407	187,204	-18,760	-6,587	-6,148
Dividends	-15,162	-16,134	-12,416	-12,985	-13,377
Others	0	0	0	0	0
<b>Cashflow from financing</b>	<b>-21,568</b>	<b>171,070</b>	<b>-31,176</b>	<b>-19,572</b>	<b>-19,525</b>
<b>Net change in cash</b>	<b>4,952</b>	<b>1,252</b>	<b>-1,146</b>	<b>7,674</b>	<b>11,402</b>
Effects of exchange rates	-82	335	-740	0	0
<b>CCE, end</b>	<b>9,929</b>	<b>11,516</b>	<b>9,630</b>	<b>17,304</b>	<b>28,706</b>

Source: Company, Phillip Securities Research (Singapore) Estimates

### Balance Sheet

Y/E Sep, THB mn	FY17	FY18	FY19	FY20e	FY21e
<b>ASSETS</b>					
PPE	<b>48,532</b>	<b>57,059</b>	<b>59,737</b>	<b>59,597</b>	<b>59,177</b>
Intangibles	7,281	184,390	184,120	184,120	184,120
Investments in Assoc/JV	78,373	78,870	79,345	83,532	87,862
Others	4,134	5,994	6,719	6,719	6,719
<b>Total non-current assets</b>	<b>138,319</b>	<b>326,313</b>	<b>329,922</b>	<b>333,968</b>	<b>337,879</b>
Accounts receivables	3,248	5,944	6,759	6,252	6,410
Cash	9,929	22,530	24,362	32,036	43,438
Inventories	37,761	42,185	42,876	48,667	50,375
Others	4,983	4,438	3,321	3,321	3,321
<b>Total current assets</b>	<b>55,921</b>	<b>75,096</b>	<b>77,318</b>	<b>90,276</b>	<b>103,544</b>
<b>Total Assets</b>	<b>194,240</b>	<b>401,409</b>	<b>407,240</b>	<b>424,244</b>	<b>441,423</b>
<b>LIABILITIES</b>					
Accounts payables	11,265	16,294	20,471	21,280	21,606
Short term loans	31,058	15,136	21,956	21,956	21,956
Others	5,347	6,029	6,123	6,123	6,123
<b>Total current liabilities</b>	<b>47,671</b>	<b>37,459</b>	<b>48,550</b>	<b>49,359</b>	<b>49,685</b>
Long term loans	10,000	216,804	197,977	197,977	197,977
Others	4,056	6,575	10,389	10,389	10,389
<b>Total non-current liabilities</b>	<b>14,057</b>	<b>223,379</b>	<b>208,366</b>	<b>208,366</b>	<b>208,366</b>
<b>Total Liabilities</b>	<b>61,727</b>	<b>260,838</b>	<b>256,916</b>	<b>257,725</b>	<b>258,051</b>
<b>EQUITY</b>					
Non-controlling interests	3,733	19,425	34,466	37,675	41,152
<b>Shareholder Equity</b>	<b>128,780</b>	<b>121,146</b>	<b>115,859</b>	<b>128,844</b>	<b>142,220</b>

### Valuation Ratios

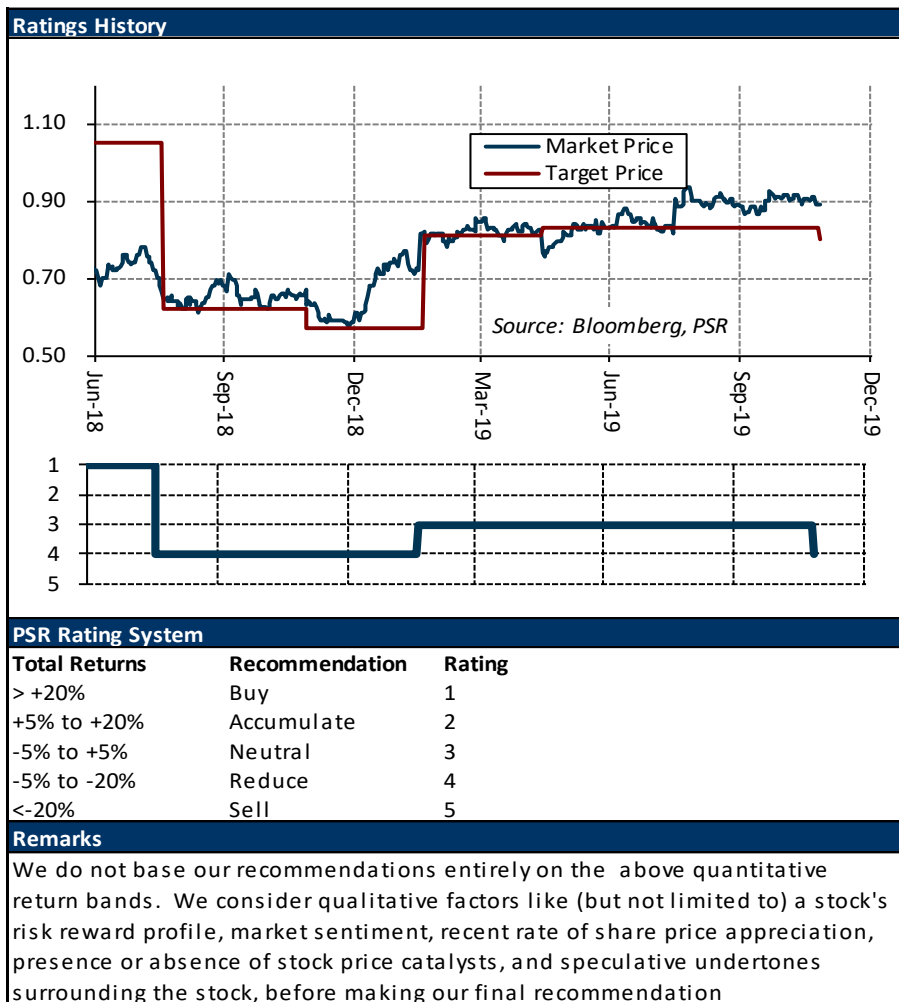
Y/E Sep	FY17	FY18	FY19	FY20e	FY21e
P/E (X), a dj.	22.3	29.0	21.9	19.4	19.3
P/B (X)	4.4	4.5	4.3	3.8	3.5
EV/EBITDA (X), a dj.	19.9	23.3	17.7	16.9	4.9
Dividend Yield (%)	2.8%	1.7%	2.4%	2.6%	2.7%

### Growth & Margins

	FY17	FY18	FY19	FY20e	FY21e
<b>Growth</b>					
Revenue	0.0%	20.9%	16.4%	4.4%	3.4%
EBITDA	3.9%	6.5%	17.6%	4.3%	3.5%
EBIT	4.9%	2.3%	18.1%	5.4%	2.7%
Net profit, a dj.	4.3%	-19.3%	10.9%	11.6%	3.0%
<b>Margins</b>					
Gross margin	30.6%	29.3%	28.9%	29.3%	29.2%
EBITDA margin	17.2%	15.1%	15.3%	15.3%	15.3%
EBIT margin	14.9%	12.6%	12.8%	12.9%	12.9%
Net profit margin	13.7%	9.1%	8.7%	9.3%	9.3%

### Key Ratios

	FY17	FY18	FY19	FY20e	FY21e
ROE	20.9%	16.8%	19.6%	21.2%	19.7%
ROA	13.6%	7.0%	5.8%	6.2%	6.2%
Net Debt/(Cash)	31,129	209,411	195,571	187,897	176,496
Net Gearing	23.5%	149.0%	130.1%	112.8%	96.3%



**Contact Information (Singapore Research Team)**
**Head of Research**

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

 Siti Nursyazwina - [syazwina@phillip.com.sg](mailto:syazwina@phillip.com.sg)
**Banking & Finance | Healthcare**

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

 Natalie Ong - [natalieongpf@phillip.com.sg](mailto:natalieongpf@phillip.com.sg)
**Property | REITs**

 Tan Jie Hui - [tanh@phillip.com.sg](mailto:tanh@phillip.com.sg)
**Telco | Technology**

 Alvin Chia - [alvinchiawy@phillip.com.sg](mailto:alvinchiawy@phillip.com.sg)
**China/HK Equity**

 Zheng Jieyuan – [zhengjy@phillip.com.sg](mailto:zhengjy@phillip.com.sg)
**US Equity | Transport**

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

 Chua Wei Ren – [chuawr@phillip.com.sg](mailto:chuawr@phillip.com.sg)
**Credit Analyst (Bonds)**

 Timothy Ang – [timothyang@phillip.com.sg](mailto: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](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 6351700 / 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 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 to 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.