

# Hyphens Pharma International Ltd

Shaking off COVID-19 woes with expanded portfolio



StocksBnB.com

## SINGAPORE | HEALTHCARE | 1H20 Results

- Earnings of S\$4.28mn make up 64% of our FY20e estimates.
- Revenue growth of 10% YoY in 1H20 was held up by an all-around stronger 1Q20 result as well as a 24% growth YoY in revenue from proprietary brands in 2Q20.
- Cash flow for 1H20 was down S\$1.7mn as inventory levels were elevated in anticipation of disruptions arising from product license renewals in Vietnam.
- Group continues to invest into building its proprietary brands portfolio with acquisition of haircare product CG 210® and new product launches across its Ceradan® and Ocean Health® brand portfolio.
- Maintain ACCUMULATE with upward revision in TP to S\$0.495 (prev S\$0.435).** We revise FY20e earnings upwards by 25% to reflect strong revenue growth and income recognised from Job Support Scheme in 2H20.

### Results at a glance

SGD '000	1H20	1H19	YoY	Comments
Specialty pharma principals	31,408	29,470	7%	Steady growth was achieved across both 1Q20 and 2Q20 (+11% YoY and +3% YoY) despite slower business momentum in 2Q20.
Proprietary brands	9,167	7,064	30%	Strong demand for products under Ceradan® and Ocean Health® brand portfolio which benefited from moving to online sales channels.
Medical hypermart and digital	21,065	19,472	8%	Stellar 1Q20 sales (+17% YoY) within segment weighed down in 2Q20 when Singapore entered Circuit Breaker period. Revenue for the segment fell 0.7% YoY in 2Q20.

<b>Revenue</b>	<b>61,640</b>	<b>56,006</b>	<b>10%</b>	
Cost of sales	(40,535)	(36,382)	11%	
<b>Gross profit</b>	<b>21,105</b>	<b>19,624</b>	<b>8%</b>	
Distribution costs	(12,373)	(11,067)	12%	
Administrative expenses	(4,716)	(4,850)	(3%)	
Finance costs	(51)	(74)	(31%)	
Other income and gains/(losses)	1,184	82	n.m.	Recognised S\$900k of Job Support Scheme (JSS) from government grant in 2Q20.
<b>Profit/(loss) before tax</b>	<b>5,149</b>	<b>3,715</b>	<b>39%</b>	
Income tax expense	(867)	(651)	33%	
<b>Profit, net of tax</b>	<b>4,282</b>	<b>3,064</b>	<b>40%</b>	

Source: Company, PSR

### The Positives

**+ Proprietary brands revenue benefited (+24% YoY) from online sales channel during Circuit Breaker period in the second quarter.**

Strong revenue growth within the proprietary brands segment was sustained throughout 1H20 with 1Q20 growth of 36% YoY and 2Q20 growth of 24% YoY. Demand across Ceradan® and Ocean Health® brand portfolio in 1H20 benefited from the Group's move towards online sales channels in late FY19.

**+ Underlying revenue growth intact despite slower second quarter.**

Specialty pharma principals as well as medical hypermart and digital saw modest growth of 7% and 8% YoY in 1H20 respectively despite business slowdown during the second quarter as a result of disruption from COVID-19 across various geographies.

The medical hypermart and digital segment fell 0.7% YoY in the second quarter due to the nationwide Circuit Breaker implemented which saw dampened demand for medical supplies and prohibition of face-to-face interactions.

20 August 2020

### ACCUMULATE (MAINTAINED)

LAST CLOSE PRICE	SGD 0.450
FORECAST DIV	SGD 0.010
TARGET PRICE	SGD 0.495
<b>TOTAL RETURN</b>	<b>12.2%</b>

#### COMPANY DATA

BLOOMBERG CODE	HYP SP
O/S SHARES (MN):	300
MARKET CAP (USD mn / SGD mn):	101.3 / 138.2
52 - WK HI/LO (SGD):	0.625 / 0.180
3M Average Daily T/O (mn):	9.95

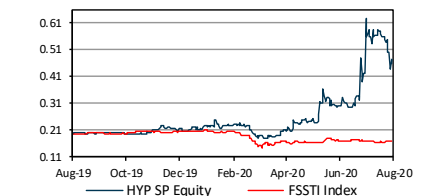
#### MAJOR SHAREHOLDERS (%)

INOMED HOLDING PTE LTD	65.3%
TAN CHWEE CHOON	12.7%

#### PRICE PERFORMANCE (%)

	1M TH	3M TH	1Y R
COMPANY	13.1	102.1	147.6
STI RETURN	(1.6)	3.1	(14.5)

#### PRICE VS. STI



Source: Bloomberg, PSR

#### KEY FINANCIALS

Y/E Dec, (S\$'000)	FY19	FY20e	FY21e	FY22e
Revenue	119,442	131,776	144,982	160,729
EBITDA	10,130	12,564	12,222	12,801
NPAT	6,530	8,243	7,778	8,261
EPS (S\$ Cents)	2.2	2.7	2.6	2.7
P/E (x)	20.7	16.4	17.4	16.4
P/B (x)	3.1	2.7	2.5	2.3
Div Yield	1.2%	2.2%	2.2%	2.2%
ROE	18.7%	15.7%	17.7%	15.0%

Source: Company Data

#### VALUATION METHOD

DCF @ WACC = 7.2%, g = 2.0%

Tay Wee Kuang (+65 6212 1853)

Research Analyst

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

## The Negatives

### - Inventory stock-up in anticipation of product license renewals weigh on cash flows.

Due to expected delays in product license renewals typically observed in Vietnam operations, the company has started building up inventory to ensure supply in Vietnam is not disrupted. Inventory levels increased by S\$4.7mn in the quarter as a result. This was partially offset by a strong set of operating performance to see the group record a net cash outflow of S\$1.7mn for 2Q20.

Nevertheless, inventory levels should normalize in FY21 and the Group continues to maintain a healthy cash balance of S\$26mn despite the tougher operating environment in 1H20.

## Outlook

### Active expansion of product portfolio continues to provide growth catalysts.

During the quarter, the Group acquired hair growth product brand CG 210<sup>®</sup> to strengthen its proprietary brands portfolio. CG 210<sup>®</sup> will be sold through medical channels in Singapore and retail channels in Malaysia at the onset with plans to shift sales to retail channels for the Singapore market. New product launches across existing brand portfolios Ceradan<sup>®</sup> and Ocean Health<sup>®</sup> also provides the Group with new revenue streams.

Expanded product portfolio will contribute positively to the Group's top line from FY20 but the impact of contribution will be contingent on the uptake of new products.

### Ocean Health<sup>®</sup> enters Hong Kong market with the inking of partnership deal with SUTL.

Hyphens Pharma enters the US\$722mn vitamins and dietary supplements market in Hong Kong with the inking of a Distribution Agreement of Ocean Health<sup>®</sup> products with lifestyle group SUTL.

SUTL is known for its extensive distribution network of Fast-Moving Consumer Goods (FMCG) brands across 14 markets in Asia and Ocean Health<sup>®</sup> is the first health supplement product to be distributed under the Company.

The deal will provide the Group with an established retail sales channel for its Ocean Health<sup>®</sup> products to enter a competitive market.

## Investment Actions

### We maintain our ACCUMULATE recommendation with a revised TP of S\$0.495 (prev S\$0.435).

FY20e earnings was adjusted upwards by 25% to reflect strong top-line growth and income recognised from the Job Support Scheme in Singapore. We also adjusted terminal growth rate from 1.5% to 2.0% to represent the plentiful organic and inorganic growth opportunities in the long term within the fragmented industry.

## Financials

### Income Statement

Y/E Dec, S\$'000	FY17	FY18	FY19	FY20e	FY21e
Revenue	112,652	120,930	119,442	131,776	144,982
Cost of sales	(75,684)	(80,125)	(76,773)	(86,223)	(94,465)
<b>Gross profit</b>	<b>36,968</b>	<b>40,805</b>	<b>42,669</b>	<b>45,553</b>	<b>50,517</b>
Marketing and distribution costs	(20,402)	(21,736)	(24,837)	(24,984)	(27,898)
Administrative expenses	(8,472)	(10,422)	(9,772)	(11,703)	(12,829)
Finance costs	(206)	(129)	(138)	(145)	(162)
Other income and gains	268	279	546	1,411	79
Other losses	(996)	(1,797)	(481)		
<b>Profit before tax</b>	<b>7,160</b>	<b>7,000</b>	<b>7,987</b>	<b>10,131</b>	<b>9,707</b>
Income tax expense	(1,072)	(1,590)	(1,457)	(1,889)	(1,928)
<b>Profit after tax</b>	<b>6,088</b>	<b>5,410</b>	<b>6,530</b>	<b>8,243</b>	<b>7,778</b>

### Per share data

Y/E Dec, SG cents	FY17	FY18	FY19	FY20e	FY21e
EPS	2.0	1.8	2.2	2.7	2.6
DPS	0.0	0.6	1.0	1.0	1.0
BVPS	6.3	13.1	14.7	16.4	18.0

### Cash Flows

Y/E Dec, S\$'000	FY17	FY18	FY19	FY20e	FY21e
<b>Profit before tax</b>	<b>7,160</b>	<b>7,000</b>	<b>7,987</b>	<b>10,131</b>	<b>9,707</b>
Adjustments	1,391	2,946	1,937	2,276	2,358
Working capital changes	(3,250)	(1,255)	935	(1,730)	(3,185)
Operating cash flow	5,301	8,691	10,859	10,677	8,880
Taxes paid, others	(683)	(1,154)	(1,406)	(1,459)	(1,889)
<b>Net operating cash flow</b>	<b>4,618</b>	<b>7,537</b>	<b>9,453</b>	<b>9,218</b>	<b>6,991</b>
<b>CFI</b>					
CAPEX, net	(171)	(3,378)	(606)	(1,613)	(576)
Acquisition of subsidiaries	-	-	-	-	-
Others	9	54	157	-	-
<b>Net investing cash flow</b>	<b>(162)</b>	<b>(3,324)</b>	<b>(449)</b>	<b>(1,613)</b>	<b>(576)</b>
<b>CFF</b>					
Proceeds from issuance of shares	-	15,605	-	-	-
IPO expenses	(310)	(1,670)	-	-	-
Dividends	(1,000)	(7,000)	(1,650)	(3,004)	(3,004)
Loans, net of repayments	(3,476)	(1,088)	(3,542)	(745)	(783)
<b>Net financing cash flow</b>	<b>(4,786)</b>	<b>5,847</b>	<b>(5,192)</b>	<b>(3,749)</b>	<b>(3,787)</b>
<b>Net change in cash</b>	<b>(330)</b>	<b>10,060</b>	<b>3,812</b>	<b>3,856</b>	<b>2,628</b>
<b>CCE, end</b>	<b>12,293</b>	<b>22,353</b>	<b>26,165</b>	<b>30,021</b>	<b>32,649</b>

Source: Company, PSR Estimates

### Balance Sheet

Y/E Dec, S\$'000	FY17	FY18	FY19	FY20e	FY21e
<b>ASSETS</b>					
Plant and equipment	630	3,464	2,888	3,349	2,701
Right-of-use asset	-	-	3,060	2,262	1,464
Intangible assets	9,105	7,764	7,462	7,124	6,794
Others	315	210	105	105	105
<b>Total non-current assets</b>	<b>10,050</b>	<b>11,438</b>	<b>13,515</b>	<b>12,840</b>	<b>11,064</b>
Inventories	13,178	10,863	11,431	14,440	13,138
Trade and other receivable	23,775	29,833	28,654	28,961	37,088
Cash and cash equivalents	12,293	22,353	26,165	30,021	32,649
Others	245	492	366	409	495
<b>Total current assets</b>	<b>49,491</b>	<b>63,541</b>	<b>66,616</b>	<b>73,830</b>	<b>83,369</b>
<b>Total assets</b>	<b>59,541</b>	<b>74,979</b>	<b>80,131</b>	<b>86,670</b>	<b>94,433</b>

### LIABILITIES

Others	2,148	502	2,911	2,133	1,333
<b>Total non-current liabilities</b>	<b>2,148</b>	<b>502</b>	<b>2,911</b>	<b>2,133</b>	<b>1,333</b>
Trade and other payables	35,101	30,835	30,628	32,256	35,983
Others	3,462	4,480	2,516	2,967	3,028
<b>Total current liabilities</b>	<b>38,563</b>	<b>35,315</b>	<b>33,144</b>	<b>35,222</b>	<b>39,011</b>
<b>Total liabilities</b>	<b>40,711</b>	<b>35,817</b>	<b>36,055</b>	<b>37,355</b>	<b>40,344</b>

### EQUITY

Share capital	1,521	32,555	32,641	32,641	32,641
Retained earnings	17,191	21,587	26,467	31,706	36,480
Others	118	(14,980)	(15,032)	(15,032)	(15,032)
<b>Total equity</b>	<b>18,830</b>	<b>39,162</b>	<b>44,076</b>	<b>49,315</b>	<b>54,089</b>

### Valuation Ratios

Y/E Dec	FY17	FY18	FY19	FY20e	FY21e
P/E (x)	23.2	26.1	21.6	17.1	18.2
P/B (x)	7.5	3.6	3.2	2.9	2.6
EV/EBITDA (x)	12.4	11.4	11.3	8.8	8.9
Dividend Yield	0.0%	1.2%	2.1%	2.1%	2.1%

### Growth & Margins

<b>Growth</b>					
Revenue	11.6%	7.3%	-1.2%	10.3%	10.0%
Gross profit	5.3%	10.4%	4.6%	6.8%	10.9%
EBITDA	38.0%	-1.9%	27.3%	24.0%	-2.7%
Net Profit	16.2%	-11.1%	20.7%	26.2%	-5.6%
<b>Margins</b>					
Gross margin	32.8%	33.7%	35.7%	34.6%	34.8%
EBITDA margin	7.2%	6.6%	8.5%	9.5%	8.4%
Net Profit Margin	5.4%	4.5%	5.5%	6.3%	5.4%

### Key Ratios

ROE	32.3%	18.7%	15.7%	17.7%	15.0%
ROA	10.2%	8.0%	8.4%	9.9%	8.6%
Net gearing (x)	Net cash	Net cash	Net cash	Net cash	Net cash



**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)

**Property | REITs**

Natalie Ong - [natalieongpf@phillip.com.sg](mailto:natalieongpf@phillip.com.sg)

**Property | REITs**

Tan Jie Hui - [tanjh@phillip.com.sg](mailto:tanjh@phillip.com.sg)

**Consumer | Industrials**

Terence Chua – [terencechuatl@phillip.com.sg](mailto:terencechuatl@phillip.com.sg)

**Banking & Financials | Healthcare**

Tay Wee Kuang - [taywk@phillip.com.sg](mailto:taywk@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, Bangkok,  
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)

**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)

**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 (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 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.