



# CapitaLand Investment Limited

## Fee-related business support revenue

### SINGAPORE | REAL ESTATE | 1H22 RESULTS

- 1H22 revenue of S\$1,354mn (+29% YoY) was in line, forming 50% of our forecast.
- RE investment revenue grew 44% YoY, driven by a broad-based recovery. Fee-related revenue was up 9% YoY, lifted by PE fund management (+15%) and lodging management (+37%).
- Maintain ACCUMULATE with an unchanged SOTP TP of S\$4.12. Our FY22e estimates remain unchanged. The pick-up in travel and lifting of lockdowns in China are immediate catalysts for CLI.

#### Results at a glance

(SGD mn)	1H22	1H21	YoY	Comments
<b>Revenue</b>	<b>1,474</b>	<b>1,108</b>	<b>33.0%</b>	
Comprising:				
1. RE investment (REIB)	967	671	44.1%	Driven by recovery in operations.
2. Fee-related (FRB)	507	437	16.0%	Higher fee revenue from PE and lodging management.
- REITs mgmt	153	150	2.0%	Due to higher recurring fees (+7%) offset by lower event-driven fees (-15%).
- PE fund mgmt	85	47	80.9%	Event-driven fees account for 51% of PE fee-related revenue.
- Property mgmt	151	154	-1.9%	
- Lodging mgmt	118	86	37.2%	Recovery in operating performance (RevPAU +44%, daily rates +21% and occupancy +9%) and 4.5k/2.3k new units turning operational in 1H22/2Q22.
<b>Total PATMI</b>	<b>433</b>	<b>702</b>	<b>-38.3%</b>	
Comprising:				
- Operating PATMI	346	264	31.1%	Higher fee income from its fund and lodging management offset slightly by lower property management.
- Portfolio gains	87	438	-80.1%	Lower value of divestments in 1H22 of S\$1.6bn at an average premium of 11% (1H21: S\$11.3bn), of which, 77% was converted into FUM. Notably, no capital recycling of Chinese assets.

Source: Company, PSR

#### The Positives

**+ Fund management fee-related revenue (+21% YoY) formed 16% of revenue.** PE fees (+81%) were boosted by higher transaction-related fees, which formed 51% of PE fees, while recurring PE fees remained stable and grew 2% YoY. 1H22 PE fees include performance fees of S\$31mn from notable transactions such as the unwinding of CLI-managed CapitaLand Vietnam Commercial Value-Added Fund (CVCVF) on Jan 22 and the reduction in an equity stake in Athena LP on Feb 22. CLI's listed funds posted +7% and -15% growth in recurring and transaction-related fees respectively. The latter was the result of a high base in 1H21, as transactions picked up after the pandemic year.

**+ Lodging segment recovering steadily.** Lodging management fees rose 37% on recovering operating performance as well as 8.2k/4.5k new units turning operational in FY21/1H22. RevPAU grew 44% as average daily rates grew 21% and portfolio occupancy increased 9%. Recovery was seen across all CLI's key markets, except China, with the strongest RevPAU recovery in Europe (+228%) and Singapore (+54%). The group also signed 4.5k keys in 1H22, ~54.9% of the number of keys signed in FY21, bringing the number of keys signed to 139k.

**+ Real estate investment business (REIB) grew 44% YoY,** on the back of reopening in most of CLI's markets, except for China and Japan. Significant easing of community safe management measures since Mar 22 has improved business and consumer sentiment and increased activities. Leasing activity in India has similarly picked up with physical occupancy at business parks improving to ~35% from <5% in FY21. Due to China's zero COVID-19 policy, Shanghai was placed under lockdown since Mar 22 due to the spike in COVID cases. This has stalled leasing

15 August 2022

#### ACCUMULATE (Maintained)

LAST DONE PRICE	SGD 3.87
FORECAST DIV	SGD 0.12
TARGET PRICE	SGD 4.12
TOTAL RETURN	9.5%

#### COMPANY DATA

BLOOMBERG CODE:	CLI SP Equity
O/S SHARES (MN):	5,139
MARKET CAP (USD mn / SGD mn):	13979 / 19476
52 - WK HI/LO (SGD):	4.27 / 2.88
3M Average Daily T/O (mn):	8.66

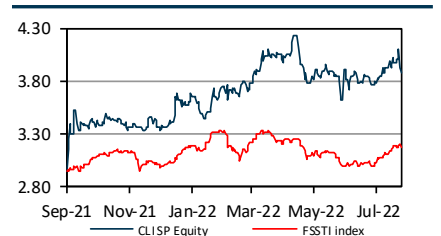
#### MAJOR SHAREHOLDERS (%)

TEMASEK HOLDINGS	51.5%
BLACKROCK INC	5.0%
VANGUARD GROUP	1.9%
NORGES BANK	87.0%

#### PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	(3.4)	7.4	15.3
STI RETURN	(3.2)	(5.2)	4.2

#### PRICE VS. STI



Source: Bloomberg, PSR

#### KEY FINANCIALS

Y/E Dec, SGD mn	FY20*	FY21	FY22e	FY23e
Revenue	1,983	2,293	2,658	2,889
Gross Profit	872	1,058	1,249	1,358
EBIT	(157)	1,091	1,364	1,439
EPS (SGD)	(19.90)	38.30	23.99	24.07
P/E (x)	(19.4)	10.1	16.1	16.1
P/BV (x)	1.3	1.24	1.21	1.16
DPS (cents)	-	-	12.00	13.38
Div Yield, %	-	-	3.1%	3.5%
ROE, %	-4.7%	8.4%	7.5%	7.2%

Source: Company Data, Bloomberg

#### Valuation Method

SOTP

Glenn Thum (+65 6212 1851)

Research Analyst

glennthumjc@phillip.com.sg

\* FY19 and FY20 numbers have been prepared as if the Internal Restructuring had occurred as at the beginning of the earliest period presented

activity and has resulted in rental rebates (~1.2 months) given to affected tenants in 2Q22. For context, 15 of CLI's assets are in China, representing 34% of its China exposure.

#### The Negative

- **Macro-economic and geopolitical headwinds slowing fund generation and acquisition momentum.** Inflation, rising interest rates and the Russia-Ukraine conflict have resulted in more circumspect behaviour and higher required returns for capital investors, limiting the assets eligible to seed funds. While USD-denominated capital has taken a wait-and-see approach towards RMB investments, CLI's RMB fund management license allows it to tap local capital. However, lockdowns and tightened restrictions in Shanghai and Beijing have impeded business discussions and may delay planned transactions if lockdowns persist.

#### Outlook

CLI's real estate investment and lodging management business should continue to recover on the back of further easing of travel and mobility restrictions. Having divested S\$1.6bn YTD, CLI is on track to hit its annual divestment target of S\$3bn. However, its 10% FUM growth target may be at risk given the current macro-economic and geopolitical headwinds which have resulted in more circumspect behaviour among capital investors. Prolonged lockdowns in Shanghai and Beijing may also delay planned transactions.

#### Maintain ACCUMULATE with unchanged SOTP TP of S\$4.12

We maintain our ACCUMULATE recommendation with an unchanged SOTP target price of S\$4.12. We are keeping our FY22e forecast unchanged. Our SOTP derived TP of S\$4.12 represents an upside of 9.5% and a P/E of 16.1x. The pick-up in travel and lifting of lockdowns in China are immediate catalysts for CLI.

<b>SOTP Valuation</b>				
<u>Business Segments</u>	<u>Basis</u>	<u>Multiple (x)</u>	<u>S\$mn</u>	<u>Valuation (\$\$mn)</u>
<u>FY22 PATMI</u>				
<b>1. Investment Management</b>	P/E	16	283.0	4,529
Fund Management				
Property Management				
<u>FY22 EBITDA</u>				
<b>2. Lodging Management</b>	EV/EBITDA	16	76	1,214
<b>3. Investment Property</b>	IP Valuation			7,773
<b>4. Stake in Listed Funds</b>	Carrying Value			9,135
	<u>Shares (mn)</u>	<u>Stake</u>	<u>TP/Consensus</u>	
CICT	6,625	22.9%	2.46	3,732
AREIT	4,198	18.0%	3.52	2,660
ART	3,284	40.7%	1.24	1,657
CLCT	1,672	22.2%	1.46	543
AIT	1,158	21.6%	1.58	394
CLMT	2,155	38.1%	0.18	149
<b>5. Stake in Unlisted Funds</b>	RNAV			6,186
		<u>Stake</u>		
		6% - 55%		
<b>All Segments</b>				28,836
<b>Less: Net Debt and Capitalised Overheads</b>				(7,404)
<b>Valuation</b>				<b>21,432</b>
Shares Outstanding (mn)				5,203
<b>Valuation Per Share (\$\$)</b>				4.12

Source: PSR

## Financials

### Income Statement

Y/E Dec, SGD mn	FY19*	FY20*	FY21	FY22e	FY23e
<b>Revenue</b>	<b>2,488</b>	<b>1,983</b>	<b>2,293</b>	<b>2,658</b>	<b>2,889</b>
<b>Gross profit</b>	<b>1,171</b>	<b>872</b>	<b>1,058</b>	<b>1,249</b>	<b>1,358</b>
Operating inc./exp	212	(1,029)	33	115	81
<b>Gross operating profit</b>	<b>1,383</b>	<b>(157)</b>	<b>1,091</b>	<b>1,364</b>	<b>1,439</b>
Finance cost	(327)	(377)	(353)	(347)	(340)
Share of results from:					
- Associates	793	81	1,008	581	481
- Joint ventures	172	(106)	210	204	165
<b>(Loss)/Profit before tax</b>	<b>2,021</b>	<b>(559)</b>	<b>1,956</b>	<b>1,803</b>	<b>1,745</b>
Tax expense	(273)	(114)	(396)	(347)	(299)
<b>(Loss)/Profit for the year</b>	<b>1,748</b>	<b>(673)</b>	<b>1,560</b>	<b>1,455</b>	<b>1,445</b>
<b>Attributed to:</b>	-	-	-	-	-
Owners of the company	<b>1,444</b>	<b>(559)</b>	<b>1,349</b>	<b>1,234</b>	<b>1,237</b>
<b>Non-controlling interests</b>	<b>304</b>	<b>(114)</b>	<b>211</b>	<b>222</b>	<b>208</b>

### Per share data (SGD)

Y/E Dec, SGD cents	FY19*	FY20*	FY21	FY22e	FY23e
EPS		(19.90)	38.30	23.99	24.07
DPS				12.00	13.38
BVPS		3.02	3.12	3.21	3.32

### Cash Flows

Y/E Dec, SGD mn	FY19*	FY20*	FY21	FY22e	FY23e
<b>CFI</b>					
<b>(Loss)/Profit for the year</b>	<b>1,748</b>	<b>(673)</b>	<b>1,560</b>	<b>1,455</b>	<b>1,445</b>
Adjustments	(858)	1,428	(941)	(551)	(416)
WC changes	(463)	(429)	255	65	46
Cash generated from ops	427	326	874	969	1,075
Taxes paid, others	(110)	(143)	(207)	(208)	(174)
<b>Cashflow from ops</b>	<b>317</b>	<b>183</b>	<b>667</b>	<b>761</b>	<b>901</b>
<b>CFI</b>					
CAPEX and acquisitions	(175)	(236)	(1,241)	(2,208)	(2,180)
Dividends from associates & JV	466	502	1,980	432	432
Proceeds from disposal of IP	-	364	1,354	5,000	4,250
<b>Cashflow from investments</b>	<b>58</b>	<b>1,068</b>	<b>1,268</b>	<b>2,194</b>	<b>1,474</b>
<b>CFF</b>					
Dividends paid	(454)	(720)	(1)	(771)	(617)
Interest expense paid	(308)	(365)	(342)	(336)	(330)
Net cash from borrowings/debt securities	493	31	4,091	(508)	50
<b>Cashflow from financing</b>	<b>(48)</b>	<b>(972)</b>	<b>223</b>	<b>(1,767)</b>	<b>(1,030)</b>
<b>Net change in cash</b>	<b>327</b>	<b>279</b>	<b>2,158</b>	<b>1,188</b>	<b>1,346</b>
Effects of exchange rates	(2)	42	(21)	-	-
<b>Cash &amp; equivalents at end of year</b>	<b>1,354</b>	<b>1,678</b>	<b>3,815</b>	<b>5,003</b>	<b>6,348</b>

Source: Company, Phillip Securities Research (Singapore) Estimates

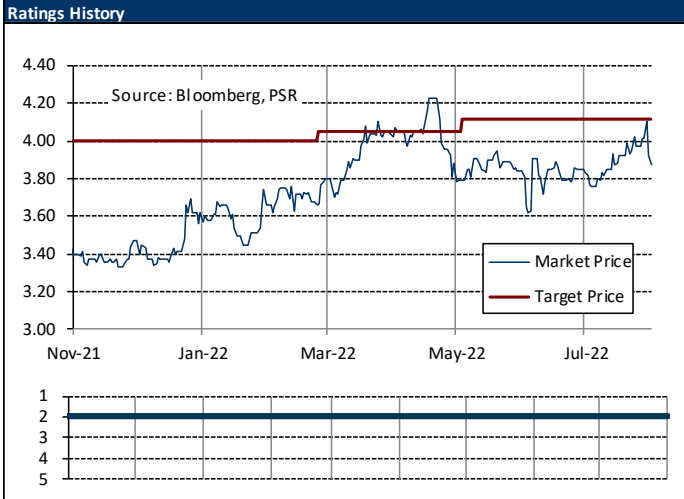
\* FY19 and FY20 numbers have been prepared as if the Internal Restructuring had occurred as at the beginning of the earliest period presented

### Balance Sheet

Y/E Dec, SGD mn	FY19*	FY20*	FY21	FY22e	FY23e
<b>ASSETS</b>					
PPE	914	1,096	1,067	998	934
Associates & JVs	13,693	13,198	13,248	14,606	15,826
Investment Properties	16,256	15,852	16,249	14,037	12,490
Others	1,777	1,834	1,260	1,222	1,185
<b>Total non-current assets</b>	<b>32,640</b>	<b>31,980</b>	<b>31,824</b>	<b>30,864</b>	<b>30,435</b>
Accounts Receivables	4,302	4,258	1,661	1,860	2,022
Cash balance	1,421	1,736	3,877	5,065	6,410
Others	479	249	284	284	284
<b>Total current assets</b>	<b>6,202</b>	<b>6,243</b>	<b>5,822</b>	<b>7,209</b>	<b>8,717</b>
<b>Total Assets</b>	<b>38,842</b>	<b>38,223</b>	<b>37,646</b>	<b>38,073</b>	<b>39,152</b>
<b>LIABILITIES</b>					
Short term borrowings	1,263	1,132	1,941	1,841	2,091
Accounts Payables	5,293	5,513	2,128	2,392	2,600
Others	628	492	1,547	939	939
<b>Total current liabilities</b>	<b>7,184</b>	<b>7,137</b>	<b>5,616</b>	<b>5,172</b>	<b>5,630</b>
Long term borrowings	5,437	6,049	10,428	10,028	9,828
Others	9,645	9,303	1,501	2,240	2,366
<b>Total non-current liabilities</b>	<b>15,082</b>	<b>15,352</b>	<b>11,929</b>	<b>12,268</b>	<b>12,194</b>
<b>Total Liabilities</b>	<b>22,266</b>	<b>22,489</b>	<b>17,545</b>	<b>17,440</b>	<b>17,824</b>
<b>EQUITY</b>					
Shareholder Equity	<b>12,611</b>	<b>11,875</b>	<b>16,044</b>	<b>16,487</b>	<b>17,089</b>
Perpetual Securities	396	396	396	396	396
Non-controlling interest	3,569	3,463	3,661	3,750	3,843
<b>Total Equity</b>	<b>16,576</b>	<b>15,734</b>	<b>20,101</b>	<b>20,633</b>	<b>21,328</b>

### Valuation Ratios

Y/E Dec	FY19*	FY20*	FY21	FY22e	FY23e
P/E		-19.4	10.1	16.1	16.1
P/B		1.28	1.24	1.21	1.16
Dividend Yield				3.1%	3.5%
<b>Growth &amp; Margins</b>					
<b>Growth</b>					
Revenue	-46.1%	-20.3%	15.6%	15.9%	8.7%
EBIT			n.m.	25.1%	5.4%
Net Income, adj.			n.m.	-6.7%	-0.7%
<b>Margins</b>					
EBIT margin	52.4%	55.6%	-7.9%	47.6%	51.3%
Net Profit Margin	34.0%	70.3%	-33.9%	68.0%	54.8%
<b>Key Ratios</b>					
ROE	11.5%	-4.7%	8.4%	7.5%	7.2%
ROA	4.5%	-1.8%	4.1%	3.8%	3.7%
Debt/Equity	0.40	0.43	0.48	0.39	0.31



**PSR Rating System**

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
< -20%	Sell	5

**Remarks**

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

## Contact Information (Research Team)

## Head of Research

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

## Research Admin

Qystina Azli - [qystina@phillip.com.sg](mailto:qystina@phillip.com.sg)

## Consumer | Industrial | Conglomerates

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

## Banking &amp; Finance

Glenn Thum – [glenthumic@phillip.com.sg](mailto:glenthumic@phillip.com.sg)

## US Technology Analyst (Internet)

Jonathan Woo – [jonathanwookj@phillip.com.sg](mailto:jonathanwookj@phillip.com.sg)

## US Technology Analyst (Software/Services)

Ambrish Shah – [amshah@phillipcapital.in](mailto:amshah@phillipcapital.in)

## REITs Analyst

Darren Chan – [darrenchanrx@phillip.com.sg](mailto:darrenchanrx@phillip.com.sg)

## Credit Analyst

Shawn Sng - [shawnsngkh@phillip.com.sg](mailto:shawnsngkh@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.poesms.com.sg](http://www.poesms.com.sg)

## JAPAN

## Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,  
Tokyo 103-0026  
Tel +81-3 3666 2101  
Fax +81-3 3666 6090  
Website: [www.phillip.co.jp](http://www.phillip.co.jp)

## THAILAND

## Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangkok,  
Bangkok 10500 Thailand  
Tel +66-2 6351700 / 22680999  
Fax +66-2 22680921  
Website [www.phillip.co.th](http://www.phillip.co.th)

## UNITED STATES

## Phillip Capital Inc

141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA  
Tel +1-312 356 9000  
Fax +1-312 356 9005  
Website: [www.phillipusa.com](http://www.phillipusa.com)

## INDIA

## PhillipCapital (India) Private Limited

No.1, 18th Floor, Urmi Estate  
95, Ganpatrao Kadam Marg  
Lower Parel West, Mumbai 400-013  
Maharashtra, India  
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969  
Website: [www.phillipcapital.in](http://www.phillipcapital.in)

## 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.poesms.com.my](http://www.poesms.com.my)

## INDONESIA

## PT Phillip Securities Indonesia

ANZ Tower Level 23B,  
Jl Jend Sudirman Kav 33A  
Jakarta 10220 – Indonesia  
Tel +62-21 5790 0800  
Fax +62-21 5790 0809  
Website: [www.phillip.co.id](http://www.phillip.co.id)

## FRANCE

## King &amp; Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008  
Paris France  
Tel +33-1 45633100  
Fax +33-1 45636017  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

## AUSTRALIA

## Phillip Capital Limited

Level 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)

## TURKEY

## PhillipCapital Menkul Degerler

Dr. Cemil Bengü Cad. Hak Is Merkezi  
No. 2 Kat. 6A Caglayan  
34403 Istanbul, Turkey  
Tel: 0212 296 84 84  
Fax: 0212 233 69 29  
Website: [www.phillipcapital.com.tr](http://www.phillipcapital.com.tr)

## HONG KONG

## Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway  
Hong Kong  
Tel +852 2277 6600  
Fax +852 2868 5307  
Websites: [www.phillip.com.hk](http://www.phillip.com.hk)

## CHINA

## Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,  
Ocean Tower Unit 2318,  
Postal code 200001  
Tel +86-21 5169 9200  
Fax +86-21 6351 2940  
Website: [www.phillip.com.cn](http://www.phillip.com.cn)

## UNITED KINGDOM

## King &amp; Shaxson Capital Limited

6th Floor, Candlewick House,  
120 Cannon Street,  
London, EC4N 6AS  
Tel +44-20 7426 5950  
Fax +44-20 7626 1757  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

## 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)

## 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 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.