

CR PHARMA (3320.HK)

Distribution Business of 1H2019 Keeps Stable

Hong Kong | Pharmaceuticals | Company Update

October 2, 2019

Company Update

For the six months ended June 30, 2019, the company recorded revenue of HKD 101.923 billion (1H2018: HKD 93.741 billion), representing an increase of 8.78% YoY (up 15.7% YoY in terms of RMB), the revenue of pharmaceutical manufacturing, distribution and retail segments accounted for 15.5%, 81.5% and 2.9%, respectively, which was slightly lower than our expectations, it is mainly due to the slower growth of the pharmaceutical manufacturing business by Dong-E-E-Jiao. The company achieved gross profit of HKD 17.434 billion (1H2018: HKD 16.881 billion), showing an increase of 3.3% YoY (up 9.9% YoY in terms of RMB). The gross profit margin was 17.1% (1H2018: 18%), decreasing 0.9 ppts YoY, mainly because the distribution business grew faster than the pharmaceutical manufacturing business. The net profit attributable to shareholders was HKD 3.035 billion (1H2018: HKD 2.25 billion), a YoY increase of 34.9% (up 43.6% YoY in terms of RMB), mainly due to the investment income of Shenzhen Sanjiu.

Optimize Business Structure and Promote Terminal Coverage

The company's pharmaceutical distribution business achieved revenue of HKD 84.949 billion, a YoY increase of 9.5% (up 16.5% YoY in terms of RMB). The gross profit margin was 7.0%, a slight decrease of 0.4 ppts compared with 1H2018. The coverage of terminals has increased year by year. The total number of downstream customers of 1H2019 has exceeded 100,000, of which 6,862 are high-end hospitals, increasing 17.2% YoY. The proportion of emerging businesses continued to increase. The growth rates of equipment, importing and Chinese medicine decoction pieces businesses were more than 50%, 30% and 30% in 1H2019, respectively, and third-party logistics revenue increased by more than 80% (in terms of RMB). The company's direct sales to medical institutions increased by 23% YoY, and the proportion has increased to 77.5%, the business structure has been further optimized. In addition, in July 2019, CR Pharmaceutical Commercial completed the subscription and increased its holding of Zhejiang Int'l, accounting for 20% of the total share of Zhejiang Int'l, which will help enhance the company's comprehensive competitiveness in the Eastern China.

Leader of OTC Industry, DTP Business Grows Rapidly

Affected by the revenue decline of Dong-E-E-Jiao and consolidation of Jiangzhong Pharmaceutical, the company's pharmaceutical manufacturing business achieved revenue of HKD 17.367 billion, a YoY increase of 2.9% (up 9.5% in terms of RMB). The gross profit margin was 63.6%, a slight decrease of 0.1 ppts compared with 1H2018. After the acquisition of Jiangzhong Pharmaceutical, the leading position of the company in the CHC area has been further strengthened. In 2018, four products made by the company was included in the top ten OTC market sales products in China. In addition, as of 1H2019, the company focused on more than 40 consistent evaluation projects, and five products passed the consistency evaluation. In 1H2019, R&D expenditure was HKD 660 million, an increase of 7.9% YoY (in terms of RMB). The revenue of retail business was HKD 2.946 billion, an increase of 19.2% YoY (increased 26.9% in terms of RMB). Gross profit margin was 12.7%, down 3.6 ppts from 1H2018, mainly due to the rapid growth of DTP with relatively low gross profit margin. In addition, the company acquired a 25% shares in the Tycoon Group in 1Q 2019, which will further enrich and optimize the existing retail product portfolio and strengthen the competitive advantage of the distribution and retail business in Hong Kong market.

Maintain "BUY" Rating

We adjusted our forecast for FY19/FY20/FY21 incomes to HKD 206.6/225.6/246.5 billion, showing increases of 8.92%/9.21%/9.23% YoY; net profit attributable to shareholders were HKD 4.7/5.2/6.2 billion, with increase of 16.84%/10.69%/18.70% YoY; the corresponding EPS was HKD 0.75/0.83/0.90. The target price was adjusted to HKD 11.22, corresponding to FY19/FY20/FY21 14.95x/13.51x/12.48x PE, which was +52.27% higher than the current price (HKD 7.37 as of September 27, 2019), maintaining a "BUY" rating.

BUY

CMP HKD 7.37

(Closing price at 27 September 2019)

TARGET HKD 11.22 (+52.27%)

COMPANY DATA

| | |
|----------------------|------------|
| O/S SHARES (MN) | 6,285 |
| MARKET CAP (HKDMN) | 46,443 |
| 52 - WK HI/LO (HKD): | 12.70/7.31 |

SHARE HOLDING PATTERN

| | |
|--------------------------------------|--------|
| CRH (Pharmaceutical) Limited | 53.04% |
| BJ Pharmaceutical Investment Limited | 17.42% |

PRICE PERFORMANCE

| | 1M | 3M | 1Y |
|-----|---------|---------|---------|
| CRP | -10.34% | -16.35% | -38.71% |
| HSI | 1.32% | -9.07% | -4.32% |

RETURN & HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

| mn HKD | FY17 A | FY18 A | FY19 E | FY20 E | FY21 E |
|---------------|-----------|-----------|-----------|-----------|-----------|
| Revenue | 172.53 | 189.68 | 206.60 | 225.63 | 246.45 |
| NP for Owners | 2 | 9 | 8 | 9 | 5 |
| EPS HKD | 0.55 | 0.64 | 0.75 | 0.83 | 0.90 |
| P/E | 13.30 | 11.47 | 9.82 | 8.87 | 8.20 |
| BVPS HKD | 6.66 | 6.27 | 6.86 | 7.53 | 7.58 |
| P/B | 1.11 | 1.18 | 1.07 | 0.98 | 0.97 |
| ROE | 8.76% | 9.94% | % | % | % |

Source: Company reports, Phillip Securities Est.

Research Analyst
Leon Duan (+852 2277 6515)
leonduan@phillip.com.hk

Figure-1: Profitability level

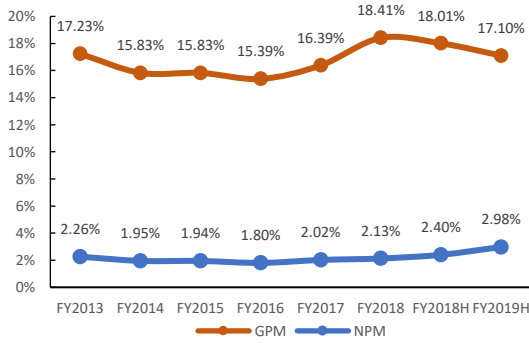
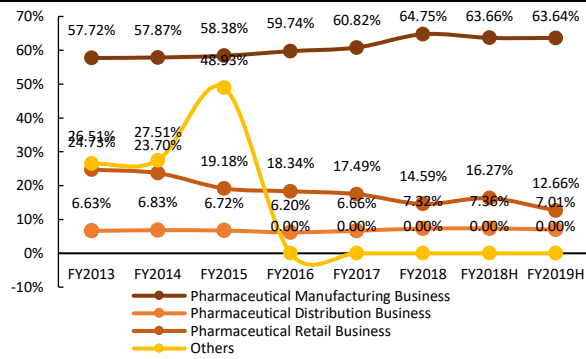


Figure-2: GPM of segments



Source: Phillip Securities (HK) Research, Company Report

Table-1: Results of 1H2019

| mn HKD | FY2018H | FY2019H | YoY Growth |
|--|------------|------------|------------|
| Segment Analysis | | | |
| Pharmaceutical Manufacturing Business | | | |
| Revenue | 16,874.53 | 17,366.80 | 2.9% |
| GPM | 64% | 64% | +0ppt |
| Segment Results Margin | 26% | 25% | -1ppt |
| Pharmaceutical Distribution Business | | | |
| Revenue | 77,601.03 | 84,948.90 | 9.5% |
| GPM | 7% | 7% | +0ppt |
| Segment Results Margin | 5% | 5% | +0ppt |
| Pharmaceutical Retail Business | | | |
| Revenue | 2,470.45 | 2,945.62 | 19.2% |
| GPM | 16% | 13% | -3ppt |
| Segment Results Margin | 3% | 2% | -1ppt |
| Others | | | |
| Revenue | 103.49 | 93.20 | -9.9% |
| GPM | - | - | - |
| Segment Results Margin | 22% | 58% | +36ppt |
| P&L Analysis | | | |
| Total Revenue | 93,740.80 | 101,922.96 | 8.7% |
| COS | -76,859.43 | -84,489.38 | 9.9% |
| GP | 16,881.38 | 17,433.58 | 3.3% |
| SG&A | -11,224.69 | -11,749.34 | 4.7% |
| Operating Profit | 5,656.69 | 5,684.25 | 0.5% |
| Net Other Income | 746.33 | 1,840.51 | 146.6% |
| EBIT | 6,403.02 | 7,524.75 | 17.5% |
| Net Interest Expense | -1,292.56 | -1,716.66 | 32.8% |
| EBT | 5,110.46 | 5,808.10 | 13.7% |
| Tax | -1,047.68 | -1,124.81 | 7.4% |
| NP | 4,062.78 | 4,683.29 | 15.3% |
| Minority Interest | 1,813.16 | 1,647.92 | -9.1% |
| NP attributable to shareholders | 2,249.63 | 3,035.37 | 34.9% |
| EPS (Basic) | 0.36 | 0.48 | 34.9% |
| EPS (Diluted) | 0.36 | 0.48 | 34.9% |
| Margin Analysis | | | |
| Gross Margin | 18% | 17% | -1ppt |
| Operating Margin | 6% | 6% | +0ppt |
| Net Margin | 2% | 3% | +1ppt |
| Effective Tax Rate | -21% | -19% | +2ppt |

Source: Phillip Securities (HK) Research, Company Report

Figure-3: Forward P/E Band

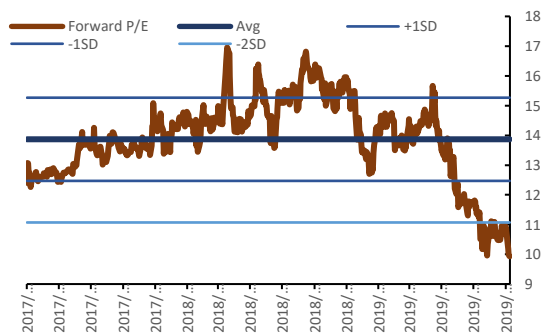
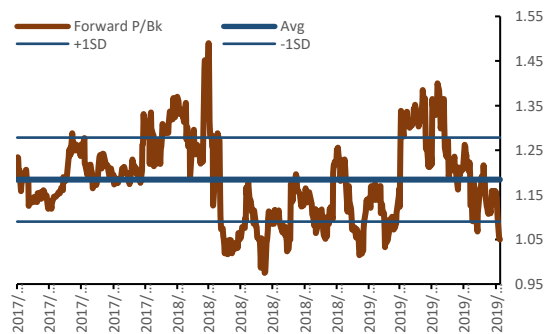


Figure-4: Forward P/B Band



Source: Phillip Securities (HK) Research, Bloomberg

Table-2: Key Actual Figures and Forecast

| mn HKD | 2019H | Previous 2019 Forecast | % of Completion |
|---------------------------------|------------|------------------------|-----------------|
| Revenue | 101,922.96 | 210,698.17 | 48.4% |
| GP | 17,433.58 | 34,930.38 | 49.9% |
| Operating Profit | 5,684.25 | 10,444.22 | 54.4% |
| EBIT | 7,524.75 | 14,461.00 | 52.0% |
| EBT | 5,808.10 | 11,130.75 | 52.2% |
| NP attributable to shareholders | 3,035.37 | 4,508.97 | 67.3% |

Source: Phillip Securities (HK) Research, Company Report

Table-3: Key Forecast and Target Price Revision

| mn HKD | | Old | New | % Change |
|---------------------------------|---------|------------|------------|----------|
| Revenue | FY2019E | 210,698.17 | 206,607.56 | -1.9% |
| | FY2020E | 230,092.20 | 225,638.62 | -1.9% |
| | FY2021E | 251,302.98 | 246,455.07 | -1.9% |
| GP | FY2019E | 39,222.51 | 36,207.38 | -7.7% |
| | FY2020E | 43,731.16 | 40,373.28 | -7.7% |
| | FY2021E | 48,760.71 | 45,021.18 | -7.7% |
| Operating Profit | FY2019E | 12,194.13 | 11,926.65 | -2.2% |
| | FY2020E | 14,214.90 | 13,855.99 | -2.5% |
| | FY2021E | 16,523.54 | 16,057.52 | -2.8% |
| NP attributable to shareholders | FY2019E | 4,508.97 | 4,717.79 | 4.6% |
| | FY2020E | 5,397.37 | 5,221.89 | -3.3% |
| | FY2021E | 6,418.50 | 6,198.45 | -3.4% |
| RI TP | | 11.31 | 11.22 | -0.8% |

Source: Phillip Securities (HK) Research, Company Report

Table-4: Comparable Peers

| Co Ticker | Mkt Cap | EV | EV/TTM EBITDA | EV/EBITDA FY1 | EV/EBITDA FY2 | P/E | P/E FY1 | P/E FY2 | P/FCF | Dividend |
|----------------------------|---------|---------|---------------|---------------|---------------|-------|---------|---------|--------|----------|
| CNY (14 securities) | | | | | | | | | | |
| Median | 18.92B | 22.48B | 12.35 | 10.22 | 8.47 | 15.38 | 12.61 | 10.69 | 38.94 | 1.26% |
| Average | 24.86B | 31.69B | 16.19 | 15.71 | 12.75 | 22.27 | 19.73 | 15.61 | 146.66 | 1.84% |
| 600829 | 4.74B | 5.61B | 12.49 | -- | -- | 16.28 | -- | -- | -- | -- |
| 603368 | 10.10B | 12.71B | 12.2 | 10.85 | 8.64 | 14.48 | 13.23 | 10.63 | -- | 1.75% |
| 600566 | 25.20B | 24.11B | 10.15 | 8.42 | 6.76 | 12.65 | 11.02 | 8.97 | 18.03 | 4.38% |
| 600511 | 22.52B | 20.84B | 8.86 | 8.15 | 7.39 | 13.57 | 1.99 | 1.78 | 20.77 | 1.48% |
| 601607 | 51.65B | 77.49B | 9.27 | 8.39 | 7.93 | 12.52 | 11.99 | 10.74 | 45.43 | 2.25% |
| 600056 | 15.33B | 18.20B | 7.83 | 7.85 | 7.11 | 9.99 | 9.03 | 8.09 | 59.71 | 3.33% |
| 300122 | 84.45B | 86.12B | 32.38 | 24.92 | 17.56 | 40.04 | 30.63 | 21.86 | 372.41 | 1.04% |
| 002424 | 15.04B | 16.62B | 20.48 | -- | -- | 26.31 | -- | -- | 797.26 | 0.83% |
| 600998 | 29.75B | 62.68B | 15.95 | 16.18 | 13.41 | 17.36 | 16.11 | 13.14 | 32.45 | 0.69% |
| 002589 | 13.42B | 29.96B | 7.32 | 9.6 | 8.3 | 21.14 | 10.31 | 8.3 | 9.17 | 0.64% |
| 603883 | 23.77B | 26.78B | 29.05 | 27.74 | 23.2 | 44.47 | 40.56 | 33.04 | -- | 0.66% |
| 603939 | 33.12B | 34.75B | 38.53 | 34.97 | 27.18 | 59.24 | 52.44 | 39.52 | 89.83 | 0.38% |
| HKD (3 securities) | | | | | | | | | | |
| Median | 46.25B | 91.84B | 6.98 | 7.14 | 6.35 | 9.97 | 9.92 | 8.8 | 10.37 | 2.73% |
| Average | 47.18B | 88.03B | 7.55 | 7.07 | 6.4 | 10.24 | 9.88 | 8.8 | 10.37 | 2.86% |
| 3320 | 46.25B | 91.84B | 6.89 | 6.05 | 5.41 | 9.63 | 9.92 | 8.8 | 10.86 | 1.76% |
| 1099 | 72.66B | 149.79B | 6.98 | 7.14 | 6.35 | 11.13 | 10.36 | 9.13 | -- | 2.73% |
| 867 | 22.62B | 22.45B | 8.8 | 8.01 | 7.43 | 9.97 | 9.35 | 8.47 | 9.88 | 4.08% |

Source: Phillip Securities (HK) Research, Bloomberg

Table-5: Financial performance of last five years

| HKD in million | | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2018H | FY2019H |
|--|-----------------------|----------|-----------|-----------|-----------|-----------|-----------|----------|----------|
| Pharmaceutical Manufacturing Business | Revenue before adjust | 22,315.4 | 21,967.0 | 24,253.6 | 25,316.3 | 29,336.5 | 35,043.7 | 16,874.5 | 17,366.8 |
| | YoY | | -1.56% | 10.41% | 4.38% | 15.88% | 19.45% | | 2.92% |
| | Revenue after adjust | 20,837.0 | 19,714.0 | 21,607.0 | 22,375.0 | 26,362.0 | 31,940.0 | 15,056.0 | 15,790.0 |
| | GP after adjust | 12,879.4 | 12,713.0 | 14,158.6 | 15,124.0 | 17,842.0 | 22,691.0 | 10,743.0 | 11,053.0 |
| | GPM after adjust | 61.81% | 64.49% | 65.53% | 67.59% | 67.68% | 71.04% | 71.35% | 70.00% |
| | GPM in annual report | 57.72% | 57.87% | 58.38% | 59.74% | 60.82% | 64.75% | 63.66% | 63.64% |
| Pharmaceutical Distribution Business | Revenue before adjust | 92,557.1 | 113,097.8 | 123,156.4 | 132,295.6 | 144,595.5 | 155,328.8 | 77,601.0 | 84,948.9 |
| | YoY | | 22.19% | 8.89% | 7.42% | 9.30% | 7.42% | | 9.47% |
| | Revenue after adjust | 91,652.0 | 111,790.0 | 121,191.0 | 130,313.0 | 141,826.0 | 152,151.0 | 76,111.0 | 83,094.0 |
| | GP after adjust | 6,133.2 | 7,724.8 | 8,281.7 | 8,200.0 | 9,632.0 | 11,365.0 | 5,713.0 | 5,954.0 |
| | GPM after adjust | 6.69% | 6.91% | 6.83% | 6.29% | 6.79% | 7.47% | 7.51% | 7.17% |
| | GPM in annual report | 6.63% | 6.83% | 6.72% | 6.20% | 6.66% | 7.32% | 7.36% | 7.01% |
| Pharmaceutical | Revenue before adjust | 2,600.6 | 3,040.3 | 3,651.2 | 3,914.5 | 4,243.6 | 5,454.6 | 2,470.4 | 2,945.6 |
| | YoY | | 16.91% | 20.09% | 7.21% | 8.41% | 28.54% | | 19.23% |

| | | | | | | | | | |
|------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| Retail Business | Revenue after adjust | 2,601.0 | 3,040.0 | 3,651.0 | 3,914.0 | 4,244.0 | 5,455.0 | 2,470.0 | 2,946.0 |
| | GP after adjust | 643.2 | 720.6 | 700.2 | 718.0 | 742.0 | 796.0 | 402.0 | 373.0 |
| | GPM after adjust | 24.73% | 23.70% | 19.18% | 18.34% | 17.48% | 14.59% | 16.28% | 12.66% |
| | GPM in annual report | 24.73% | 23.70% | 19.18% | 18.34% | 17.49% | 14.59% | 16.27% | 12.66% |
| Others | Revenue before adjust | 1,861.0 | 1,205.3 | 119.4 | 102.7 | 99.7 | 144.1 | 103.5 | 93.2 |
| | YoY | | -35.24% | -90.10% | -14.00% | -2.88% | 44.53% | | -9.94% |
| | Revenue after adjust | 1,861.0 | 1,205.0 | 119.0 | 103.0 | 100.0 | 143.0 | 104.0 | 93.0 |
| | GP after adjust | 493.3 | 331.6 | 58.4 | - | - | - | - | - |
| | GPM after adjust | 26.51% | 27.52% | 49.08% | - | - | - | - | - |
| | GPM in annual report | 26.51% | 27.51% | 48.93% | - | - | - | - | - |
| Total | Revenue before adjust | 119,334.1 | 139,310.3 | 151,180.6 | 161,629.0 | 178,275.3 | 195,971.2 | 97,049.5 | 105,354.5 |
| | Elimination of inter-seg sales | -2,383.4 | -3,561.1 | -4,612.5 | -4,923.8 | -5,743.1 | -6,282.1 | -3,308.7 | -3,431.6 |
| | Revenue after adjust | 116,950.7 | 135,749.2 | 146,568.1 | 156,705.2 | 172,532.2 | 189,689.1 | 93,740.8 | 101,923.0 |
| | YoY | | 16.07% | 7.97% | 6.92% | 10.10% | 9.94% | | 8.73% |
| | GPM in total | 17.23% | 15.83% | 15.83% | 15.39% | 16.39% | 18.41% | 18.01% | 17.10% |

Source: Phillip Securities (HK) Research, Company Report

Risk

1. Industry policy risk;
2. M&A fails expectations.

Financials

Table-6: Financial data

| FYE DEC | FY17A | FY18A | FY19E | FY20E | FY21E |
|-----------------------------------|------------|------------|------------|------------|------------|
| Valuation Ratios | | | | | |
| P/E | 13.30 | 11.47 | 9.82 | 8.87 | 8.20 |
| P/B | 1.11 | 1.18 | 1.07 | 0.98 | 0.97 |
| Dividend Yield | 1.49% | 1.76% | 2.06% | 2.28% | 2.47% |
| Per Share Data in HKD | | | | | |
| EPS | 0.55 | 0.64 | 0.75 | 0.83 | 0.90 |
| DPS | 0.11 | 0.13 | 0.15 | 0.17 | 0.18 |
| BVPS | 6.66 | 6.27 | 6.86 | 7.53 | 7.58 |
| Growth & Margins (%) | | | | | |
| Growth | | | | | |
| Revenue | 10.10% | 9.94% | 8.92% | 9.21% | 9.23% |
| Operating Profit | 11.59% | 12.45% | 14.19% | 16.18% | 15.89% |
| Net Profit | 15.06% | 11.15% | 26.00% | 10.69% | 18.70% |
| Margins | | | | | |
| Gross Margin | 16.39% | 18.41% | 17.52% | 17.89% | 18.27% |
| Operating Profit Margin | 5.38% | 5.51% | 5.77% | 6.14% | 6.52% |
| Net Profit Margin | 3.98% | 4.02% | 4.65% | 4.72% | 5.13% |
| Key Ratios | | | | | |
| ROA | 2.36% | 2.40% | 2.48% | 2.50% | 2.83% |
| ROE | 8.76% | 9.94% | 11.44% | 11.55% | 12.45% |
| Income Statement in mn HKD | | | | | |
| Revenue | 172,532.20 | 189,689.11 | 206,607.56 | 225,638.62 | 246,455.07 |
| Gross Profit | 28,276.15 | 34,930.38 | 36,207.38 | 40,373.28 | 45,021.18 |
| EBIT | 10,813.30 | 12,439.40 | 15,043.29 | 16,429.70 | 18,988.36 |
| EBT | 8,582.35 | 9,242.76 | 11,646.22 | 12,890.63 | 15,301.36 |
| Net Profit | 6,866.87 | 7,632.61 | 9,617.37 | 10,645.00 | 12,635.76 |
| Net Profit for Owners | 3,383.83 | 3,594.72 | 4,899.58 | 5,423.11 | 6,437.31 |

Source: Company, Phillip Securities (HK) Research
(Financial data as of September 6)

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

| Total Return | Recommendation | Rating | Remarks |
|--------------|----------------|--------|---|
| >+20% | Buy | 1 | >20% upside from the current price |
| +5% to +20% | Accumulate | 2 | +5% to +20% upside from the current price |
| -5% to +5% | Neutral | 3 | Trade within $\pm 5\%$ from the current price |
| -5% to -20% | Reduce | 4 | -5% to -20% downside from the current price |
| <-20% | Sell | 5 | >20% downside from the current price |

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

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material 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 material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding 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 publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication 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 a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

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 to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on <http://www.phillip.com.hk>.

© 2019 Phillip Securities (Hong Kong) Limited

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

HONG KONG

Phillip Securities (HK) Ltd
Exchange Participant of the Stock Exchange of Hong Kong
11/F United Centre 95 Queensway
Hong Kong
Tel (852) 22776600
Fax (852) 28685307
Websites: www.phillip.com.hk

INDONESIA

PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel (62-21) 57900800
Fax (62-21) 57900809
Website: www.phillip.co.id

THAILAND

Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel (66-2) 6351700 / 22680999
Fax (66-2) 22680921
Website: www.phillip.co.th

UNITED 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

AUSTRALIA

PhillipCapital Australia
Level 12, 15 William Street,
Melbourne, Victoria 3000, Australia
Tel (613) 96188238
Fax (613) 92002272
Website: www.phillipcapital.com.au

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) 21628841
Fax (603) 21665099
Website: www.poems.com.my

JAPAN

PhillipCapital Japan K.K.
Nagata-cho Bldg.,
8F, 2-4-3 Nagata-cho,
Chiyoda-ku, Tokyo 100-0014
Tel (81-3) 35953631
Fax (81-3) 35953630
Website: www.phillip.co.jp

CHINA

Phillip Financial Advisory (Shanghai) Co. Ltd
No 436 Hengfeng Road,
Greentech Unit 604,
Postal code 200070
Tel (86-21) 51699400
Fax (86-21) 63532643
Website: www.phillip.com.cn

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 STATES

Phillip Futures 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