

Tam Jai International Co., LTD. (2217.HK)

Representative of Asian noodle shops, extensive restaurant network supports continuous growth

Hong Kong | Food Service Industry | First Coverage

4 April 2022

Investment highlights

Tam Jai International, which has been in business for more than 24 years, is the representative brand of Asian noodle specialty stores. Its has two brands called "TamJai" and "SamGor" which account for 64.4% market share of in Hong Kong (calculated based on 2020 revenue). In 2018, the company was acquired by Toridoll (Toridoll Japan, Tokyo Stock Exchange listed company: 3397), a well-known multi-brand restaurant group operating the world's largest udon chain " Marugame". Currently, the business has expanded to mainland China and Singapore.

Expand restaurant network to consolidate its market position

Up to now, the company had 157 restaurants, an increase of 46.7% compared with April 1, 2018. There are 150 restaurants in Hong Kong strategically located in various business areas, such as business districts, shopping districts, commercial streets and residential districts to reach customers of different classes and expand their client base. Of the other 7 restaurants, 4 are located in mainland China and 3 are located in Singapore. The company plans to open approximately 44, 74, 24, 25 and 15 new restaurants in Hong Kong, China, Singapore, Japan and Australia respectively by March 31, 2024 and consolidate its market position by expanding its restaurant network in existing markets.

Adjusted profit increased more than doubles in the first half of FY2022

Looking back at the interim period ended at September 2021, due to the increase in the number of operating restaurants and the substantial gain in comparable restaurant revenue, revenue rebounded sharply by 43% YoY to HKD 1.182 billion. During the period, although the profit fell by 11.8% to 138 million, after deducting one-off items such as government subsidies and listing expenses, the adjusted profit rose 1.08 times YoY to 147 million. Basic EPS for the half year were 13.8 cents compared to 15.6 cents for the same period last year. The company's smart scheduling has improved the cost-effectiveness of staff arrangements and improved manpower efficiency. The proportion of restaurant staff costs to revenue has been reduced to 24.1%, compared to 25.7% in the same period last year.

Benefit from the integration of central kitchens and proper cost control

The operating profit margin of Tam Jai International increased from 18.7% in 1HFY21 to 25.7% in 1HFY22, thanks to: i) a reduction in the cost share caused by bulk purchases; ii) Increase in average daily revenue per restaurant and reduction due to central kitchen integration which led to the reduction in asset depreciation, rental and related expenses resulted from the reduction. After deducting other one-time items, the adjusted profit margin increased from 8.6% to 12.4%.

Company valuation

We predicted that Tam Jai International's total revenue will be 2.49 billion, 3.47 billion and 4.74 billion in 2022-2024, respectively. The revenue growth will mainly benefit from: 1) the expansion of restaurant network; 2) the increase in the average number of bowls sold per seat per day; 3) the per capita customer consumption rises. The company's EPS in 2022/2023/2024 are expected to be \$0.24/0.35/0.50, and the target price is HK\$4.77. Corresponding to 20x/13.5x/9.5x P/E ratio of 2022/2023/2024 (the historical average P/E ratio of the industry is about 22 times), the Company is given a "Buy" rating.

Risk factors

The epidemic has resurged and the expansion of the restaurant network has been less than expected.

Buy (Initial)

CMP HKD 2.72

(Closing price as of 30 Mar)

Target HKD 4.77 (+75.4%)

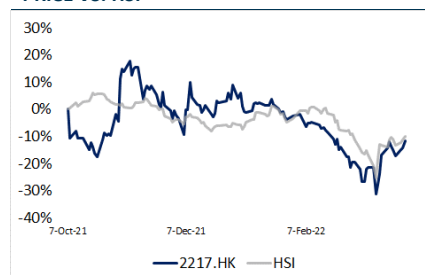
COMPANY DATA

O/S SHARES (MN) : 1340.5
 MARKET CAP (HKD MN) : 3646
 52- WK HI/LO (HKD) : 3.81/2.10

SHARE HOLDING PATTERN %

Toridoll 74.6%

PRICE VS. HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

HKD \$'000	FY20	FY21E	FY22E	FY23E
Net Sales	1,691,179	1,794,693	2,487,369	3,469,136
Net Profit	190,621	288,779	319,864	474,133
EPS (HKD)	0.19	0.29	0.24	0.35
P/E, x	15.3	10.1	12.2	8.3
BVPS (HKD)	0.38	0.55	1.81	2.14

Source: PSHK Est.

Research Analyst

Research Team (+852 2277 6514)

research@phillip.com.hk

Company introduction

The company has been in business for over 24 years and has a network of over 100 restaurants, becoming the representative brand of Asian noodle shops. The two brands under Tam Jai International are " Tam Jai " and " SamGor ". In 1996, the first restaurant under the brand name " Tam Jai " was opened in Hong Kong. Subsequently, the first restaurant under the " SamGor " brand was opened in Hong Kong in 2008. Both brands are rapidly expanding in Hong Kong, operating together over 100 restaurants in Hong Kong in 2017. In January 2018, Tam Jai Group was acquired by Toridoll (Toridoll Japan, Tokyo Stock Exchange listed company: 3397), a well-known multi-brand restaurant group operating the world's largest udon chain " Marugame". At present, the company's business has expanded to mainland China and Singapore, and will open the first restaurant under the " SamGor " brand in Singapore in 2020, and the first restaurant under the " Tam Jai " brand in mainland China in 2021. As of the end of September 2021, the company's restaurant network of 157 restaurant is all over Hong Kong, Mainland China and Singapore.

As a chain restaurant operator specializing in rice noodles, Tam Jai International has a leading position in the Asian noodle specialty store market in Hong Kong, with a market share of 64.4% (in 2020 revenue). The casual restaurant market and fast-casual restaurant market in Hong Kong are also firmly in the top position, with a significant increase in market share in all segments in 2020 which has strong competitiveness.

Figure 1:

Hong Kong market segment	2019			2020		
	Ranking	market share	Market size - by sales value (HK\$ billion)	Ranking	market share	Market size - by sales value (HK\$ billion)
Asian noodle shop	No.1	58.5%	2.9	No.1	64.4%	2.6
Fast casual restaurant	No.2	6.6%	25.5	No.2	10.0%	17.7
Casual restaurants	No.5	2.5%	68.0	No.3	4.0%	41.6

Source: Company, PSHK

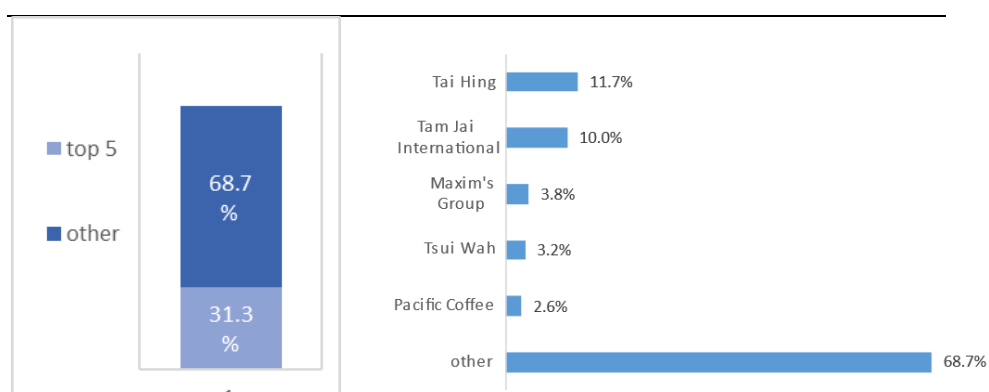
Industry analysis

The four sub-categories of the consumer food service industry in Hong Kong: casual restaurants, fast food restaurants, fine dining restaurants and other restaurants which accounted for 53.0%, 23.6%, 19.7% and 3.7% of the total industry revenue respectively in 2020. Among them, casual restaurants with the largest proportion are characterized by flexible service hours, diversified gourmet products and relatively affordable prices to attract a large quantity of clients.

Casual restaurants can be further subdivided into fast-casual restaurants and fine-casual restaurants. In 2020, the ratio of fast-casual restaurants and fine-casual restaurants will be approximately 4:6. Although fast-casual restaurants have a smaller proportion, their CAGR during 2016 to 2019 was 3.3% which was higher than that of fine-casual restaurants of -0.3% during the same period. We expect that driven by the convenience, good value for money and flexible operating model, fast-casual restaurants will lead industry recovery and drive the growth of the overall casual restaurant segment at a faster rate than other consumer food service categories, The CAGR of fast casual restaurants during 2020 to 2025 will be 11.8% compared to 10.1% for the overall consumer food service industry.

Casual restaurants category is highly competitive and has a low concentration with a CR5 of 23.3% in 2020. However, the competition pattern of fast-casual restaurants as a sub-category is relatively concentrated with 31.3% CR5 in 2020. The four leading companies have a huge restaurant network with more than 117 restaurants and the majority restaurants are Chinese restaurants which shows the importance of convenience and strategic location to Hong Kong consumers. The Asian noodle specialty store segment to which Tam Jai Group belongs is more highly integrated, with a CR5 of 92.1% in 2020 and Tam Jai accounts for more than 60% of the market share, ranking first in terms of market revenue and number of restaurants.

Figure 2: Market Concentration of Fast Casual Restaurants in Hong Kong in 2020



Source: Company, PSHK

Fast-casual restaurants can flexibly cater to trends in ordering food from online platforms

The busy and fast pace of life of Hong Kong people and the outbreak of the epidemic have promoted the online and offline development of fast casual restaurants. Hong Kong people have always been known for their long working hours and busy lives. According to the Quarterly Report on General Household Survey released by the Census and Statistics Department, the median weekly working hours of Hong Kong employees in 2021 was 44 hours. Due to the long working hours, office workers and families generally prefer fast-casual restaurants with fast serving times and high checkout efficiency. At the same time, due to the impact of the epidemic, consumers are increasingly ordering food through home delivery and self-pickup platforms. From 2019 to 2020, the proportion of food takeaway and takeaway in the consumer food service industry in Hong Kong increased from 14.1% to 42.1%. The flexible operating model of fast-casual restaurants is catering to this trend, resulting in rapid growth.

Rent and labor costs are key components of a restaurant's operating costs. Rental costs in Hong Kong are high which generally account for more than 30% of the total operating costs of restaurants in Hong Kong. Labor costs also increased during 2016 and 2020, with a median monthly salary of restaurant employees increasing at a CAGR of 3.6% to reach HK\$13,600 in 2020. The profitability of many restaurant operators has been affected as a result. Nonetheless, larger chain restaurants have simplified food processing to reduce labor costs through economies of scale and adopted centralized purchasing policies to reduce unit costs of ingredients.

Chain restaurants make up a large proportion of restaurants in Hong Kong. In 2020, the total revenue of chain restaurants was 37.3 billion which account for 47.5% of the market share, while the sales revenue of independent restaurants was 41.2 billion which account for 52.5% of the market share. Although the overall market share of chain restaurants is still lower than that of independent restaurants, the CAGR during the period from 2016 to 2019 is higher than that of independent restaurants. From 2020 and 2025, revenue of independent restaurants are expected to record a CAGR of 11.3% to 70.5 billion, while chain restaurants are expected to record a CAGR of 8.6% to 56.2 billion during the same period.

Figure 3: Labour Costs (2016-2020)

Hong Kong dollar	2016	2017	2018	2019	2020	2016-2020 compound annual growth rate
Median monthly salary for restaurant employees	11,800	12,400	13,100	13,800	13,600	3.6%

Source: Company, PSHK

Business Situation

The Company's extensive restaurant network helps to increase market share and promote business growth

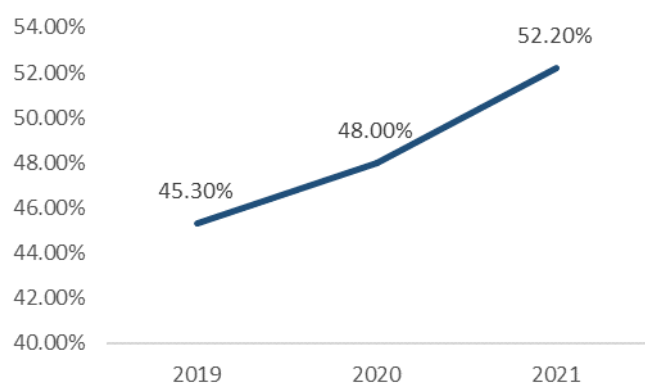
As of the end of September 2021, the company had 157 restaurants, an increase of 46.7% compared with April 1, 2018. Among them, the number of restaurants in Hong Kong has increased to 150 and four new restaurants were opened in Shenzhen and three restaurants continued to operate in Singapore. The company plans to open 14 new restaurants in Hong Kong from October 2021 to March 2022, with several additional restaurants in the Greater Bay Area and Singapore during this period. In Japan, with the support of the company's controlling shareholder Toridoll Japan, two new restaurants are expected to open in the first quarter of 2022.

Although consumers' dining habits have changed due to the outbreak of the epidemic and the increasing popularity of online home-to-home services, the proportion of the revenue company's dine-in order to takeaway self-pickup and home order has dropped from 8:2 in 2019 to 2021. 5:5. However, dine-in orders will not be completely replaced by take-out and home-delivery orders, and online-to-home services generally only cover the customers in surrounding areas. Having a broad restaurant network can help the company grasp the demand for home-delivered orders and further promote business growth.

Highly standardized business model supports the company to rapidly and systematically expand to other new markets

The company currently operates 2 central kitchens. One is in Hong Kong and the other is in Singapore. Central kitchens help ensure consistency of food taste and quality across restaurants, simplify food handling procedures at restaurant level and make food easier to be standardized. Not only that, central kitchen can save the installation of unnecessary cooking equipment in the restaurant, effectively reduce the capital expenditure of opening a new restaurant, thereby improving the scalability of the business. The company plans to set up central kitchens in Mainland China, Singapore and Australia and will process more new products in the central kitchens, including ingredients, snacks, soup bases and sauces.

Figure 4: The percentage of ingredients served by the central kitchen to the ingredients used in the restaurant



Source: Company, PSHK

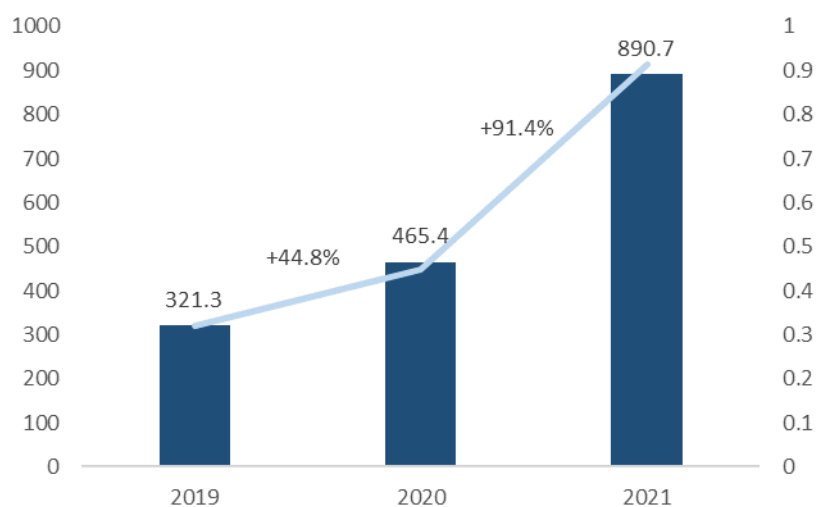
In addition, the company adopts a central procurement policy and has jointly developed a variety of different cooking equipment with cooking equipment suppliers, such as automatic rice noodle cooking machines and soup pots, to help kitchen staff more accurately control the cooking time or the amount of ingredients, effectively

unifying the taste and quality of restaurant food, reducing the manpower required to handle food and the risk of work-related injuries due to repetitive actions. As a result, restaurants do not need to hire skilled chefs and can more easily recruit suitable kitchen staff. On the other hand, the company has established comprehensive standardized procedures for opening, operating and managing restaurants to enhance operational and management efficiency and ensure consistent service quality. Standardized procedures include, but are not limited to, customer service, cleaning and disinfection, staff training and quality control.

Outperformed other major restaurant chains during the epidemic

As frontline employees are generally hired on an hourly rate based on flexible working schedules, the company can quickly respond to any epidemic prevention policies that restrict business hours and minimize staff costs. The restaurant also maintains a minimum amount of ingredients for up to three days to avoid waste and minimize the cost of ingredients. However, the main factor behind the company's ability to maintain stable earnings during this turbulent period is that the company's food products are very suitable for take-out and home delivery. Since the company's food only requires simple and quick procedures to prepare and cook, the restaurant can quickly fulfill take-out and home orders during busy hours and achieve higher sales. In fact, the company's revenue in 2021 has increased by 6.1%, which is better than the performance of the top five listed restaurant chains in Hong Kong. The top five listed restaurant chains in Hong Kong all saw their revenue drop by 14.0% to 47.8% over the same period. We believe that even if the COVID-19 situation improves and consumers resume dine-in dining in restaurants, online ordering and home delivery will still be the mainstream trend.

Figure 5: 2019-2021 takeaway and home order revenue (HK\$ million)



Source: Company, PSHK

Looking back at the interim period ended September 2021, benefiting from the increase in the number of operating restaurants and the substantial increase in comparable restaurant revenue, revenue rebounded sharply by 43% YoY, increasing to 1.182 billion. During the period, although the profit fell by 11.8% to 138 million, after deducting one-off items such as government subsidies and listing expenses, the adjusted profit rose 1.08 times YoY to 147 million. Basic EPS for the half year were 13.8 cents compared to 15.6 cents for the same period last year. By improving

the cost-effectiveness of staff arrangements and improving manpower efficiency, restaurant staff costs as a percentage of revenue decreased to 24.1%, compared to 25.7% in the same period of the previous year.

The operating profit margin Tam Jai International's has increased from 18.7% in 1HFY21 to 25.7% in 1HFY22, thanks to: i) bulk purchasing leads to a reduction in the proportion of cost; ii) the increase in average daily revenue per restaurant and the reduction caused by the integration of the central kitchen reduced the proportion of asset depreciation, rental and related expenses. After deducting other one-time items, the adjusted profit margin will increase from 8.6% to 12.4%.

Revenue Forecasts and Risk Factors

Revenue analysis

We predict that the total revenue Tam Jai International will reach 2.49 billion, 3.47 billion, and 4.74 billion in 2022-2024, respectively. The revenue growth will mainly benefit from: 1) the expansion of restaurant network; 2) the increase in the number of bowls sold per seat per day; 3) rise in per capita customer consumption. In the future, the company will continue to expand its existing restaurant network and expand into overseas markets and plans to increase the number of restaurants in operation to more than 300 by the end of fiscal year 2024. We believe that the number of company's operating restaurants in Hong Kong have little room for growth. It is expected to be similar to the more than 160 restaurants of another Hong Kong-listed restaurant chain, the Café de Coral Group. However, the Hong Kong business will continue to be the company's main source of revenue. Entering overseas markets can also bring new opportunities for the company. Last year, the local epidemic was still resurged, but the daily average number of bowls sold per seat in the restaurant has gradually recovered to the pre-epidemic level. Although the epidemic situation in Hong Kong has worsened recently, we believe that the company can respond flexibly to provide takeaway and home services to reduce the impact of epidemic prevention restrictions on restaurants. It is expected that the per capita consumption of customers still has room for improvement, mainly because the company has launched new products and high-end ingredients and sold additional snacks and beverages with high gross profit.

Company Valuation

We forecast that the company's EPS in 2022/2023/2024 to be HK\$0.24/0.35/0.50, with a target price of HK\$4.77, corresponding to 20x/13.5x/9.5x EPS in 2022/2023/2024 (the historical average P/E ratio of the industry is 22x). The Company is given a "Buy" rating (initial coverage).

Company	Stock code	Closing price	Market value (Original currency) (HKD million)	P/E			P/B		
				TTM	2021E	2022E	TTM	2022	2023
Tam Jai International	2217.HK	2.72	3646	13.13x	-	9.08x	8.66x	-	-
Café de Coral	341.HK	13.22	7743	27.00x	28.34x	18.46x	18.96x	-	-
Fairwood	52.HK	15.26	1977	13.84x	-	-	2.59x	-	-
Taixing	6811.HK	1.27	1275	12.68x	-	-	1.16x	-	-
Tsui Wah	1314.HK	0.218	308	-	-	-	0.52x	-	-
Tao Heung	573.HK	0.93	943	41.65x	-	-	0.61x	-	-

Source: Wind, PSHK

Risk factors

The epidemic has resurged and the expansion of the restaurant network has been less than expected.

Financial data

Consolidated Statement of Profit or Loss

Mar Y/E, HKD\$'000	FY20	FY21	FY22E	FY23E	FY24E
Revenue	1,691,179	1,794,693	2,487,369	3,469,136	4,743,746
COGS	(385,267)	(411,464)	(564,633)	(787,494)	(1,076,830)
Gross Profit	1,305,912	1,383,229	1,922,736	2,681,642	3,666,916
Staff costs	(538,800)	(559,442)	(751,186)	(1,044,210)	(1,423,124)
Depreciation	(865,170)	(426,389)	(432,113)	(564,733)	(742,182)
Other expenses	(166,729)	(231,289)	(340,876)	(482,210)	(664,124)
Other revenue and gains	5,922	168,631	1,921	1,618	1,769
Operating Profit	241,135	334,740	400,482	592,107	839,254
Finance costs	(12,132)	(14,489)	(17,412)	(24,284)	(33,206)
Profit before tax	229,003	320,251	383,070	567,823	806,048
Income tax	(38,107)	(32,459)	(63,207)	(93,691)	(132,998)
Profit for the year	190,896	287,792	319,864	474,133	673,050
Other comprehensive income	(275)	987	-	-	-
Net profit	190,621	288,779	319,864	474,133	673,050

Key Financial Data

Dec Y/E	FY20	FY21	FY22E	FY23E	FY24E
Valuation Ratio					
P/E ratio, x	13.9	9.2	11.1	7.5	5.3
Dividend Yield, %	-	-	-	-	-
Per share data (RMB)					
EPS	0.19	0.29	0.24	0.35	0.50
BVPS	0.38	0.55	1.81	2.14	2.61
DPS (HKD)	-	-	-	-	-
Growth & Margin					
Growth					
Revenue Growth	8.7%	6.1%	38.6%	39.5%	36.7%
Gross Profit Growth	10.6%	5.9%	39.0%	39.5%	36.7%
Operating Profit Growth	10.4%	5.8%	39.0%	39.5%	36.7%
Net Profit Growth	-3.4%	50.8%	11.1%	48.2%	42.0%
Margin					
Gross Profit Margin	77.2%	77.1%	77.3%	77.3%	77.3%
Operating Profit Margin	76.5%	76.3%	76.5%	76.5%	76.5%
Net Profit Margin	11.3%	16.0%	12.9%	13.7%	14.2%
Key Ratios					
ROE	52.1%	62.4%	27.1%	24.0%	28.3%
ROA	17.5%	20.6%	11.5%	14.3%	16.6%

Consolidated Statement of Financial Position

Mar Y/E, HKD\$'000	FY20	FY21	FY22E	FY23E	FY24E
Non Current Asset					
PPE	114,849	170,556	281,468	452,162	603,840
Right-of-use assets	501,616	563,846	683,209	822,488	966,073
Others	100,336	117,161	133,110	151,450	172,543
Total Non Current Assets	716,801	851,563	1,097,787	1,426,101	1,742,456
Current Asset					
Inventory	12,963	13,606	17,790	24,811	33,928
Trade and bills receivables	14,888	26,314	19,081	28,513	40,289
Bank balance and cash	304,961	470,963	1,586,871	1,783,728	2,156,924
Others	42,359	42,536	54,703	62,563	71,602
Total Current Assets	375,171	553,419	1,678,444	1,899,616	2,302,744
Total Assets	1,091,972	1,404,982	2,776,231	3,325,718	4,045,199
Non Current Liabilities					
Lease liabilities	277,742	291,934	373,300	449,401	527,854
Others	35,582	41,504	42,121	43,143	43,180
Total Non-current Liabilities	313,324	333,438	415,421	492,544	571,035
Current Liabilities					
Trade and bills payables	110,228	170,165	152,961	211,983	288,611
Lease liabilities	235,263	289,465	331,039	398,525	468,097
Others	56,606	66,440	85,655	109,730	143,497
Total Current Liabilities	402,097	526,070	569,656	720,239	900,206
Equity					
Share capital	10	10	10	10	10
Additional paid-in capital	-	-	1,042,000	1,042,000	1,042,000
Reserves	376,541	545,464	769,369	1,101,261	1,572,397
Total equity	376,551	545,474	1,811,379	2,143,271	2,614,407
Total Liabilities and Equity	1,091,972	1,404,982	2,776,231	3,325,718	4,045,199

Consolidated Statement of Cash Flow

Mar Y/E, HKD\$'000	FY20	FY21	FY22E	FY23E	FY24E
CFO	527,504	707,316	720,154	1,071,566	1,464,967
Income taxes paid	(14,088)	(8,982)	(63,207)	(93,691)	(132,998)
Cash generated from operations	541,592	716,298	783,361	1,165,257	1,597,965
CFI	(91,123)	(120,540)	(202,798)	(323,883)	(398,598)
Capital expense	(93,648)	(121,856)	(204,718)	(325,502)	(400,367)
Others	2,525	1,316	1,921	1,618	1,769
CCF	(41,123)	(42,798)	608,663	(550,825)	(693,173)
Capital element of lease rentals paid	(259,326)	(277,979)	(319,769)	(387,387)	(466,359)
Dividends paid	(170,000)	(120,000)	(95,959)	(142,240)	(201,915)
Proceeds from issuance of new shares	-	-	1,042,000	-	-
Others	(12,132)	(29,307)	(17,608)	(21,198)	(24,899)
Net Change in Cash	(5,077)	159,490	1,126,020	196,858	373,196
Pledged deposits	-	-	-	-	-
Cash and cash equivalents at beginning of year/period	306,438	301,361	460,851	1,586,871	1,783,728
Cash and CE at Y/E	301,361	460,851	1,586,871	1,783,728	2,156,924

Current Price as of 30th March 2022

Source: PSHK Est.

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: The analyst(s) preparing this report nor his associate 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>.

© 2022 Phillip Securities (Hong Kong) Limited

Contact Information (Regional Member Companies)
SINGAPORE
Phillip Securities Pte Ltd

250 North Bridge Road, #06-00 Raffles City Tower,
Singapore 179101

Tel : (65) 6533 6001 Fax: (65) 6535 3834

www.phillip.com.sg

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

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 2268 0999 Fax: (66) 2 2268 0921

www.phillip.co.th

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

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 (60) 3 2162 8841 Fax (60) 3 2166 5099

www.poems.com.my

CHINA
Phillip Financial Advisory (Shanghai) Co. Ltd.

No 436 Heng Feng Road, Green Tech Tower Unit 604
Shanghai 200 070

Tel (86) 21 5169 9400 Fax: (86) 21 6091 1155

www.phillip.com.cn

FRANCE
King & Shaxson Capital Ltd.

3rd Floor, 35 Rue de la Bienfaisance
75008 Paris France

Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017

www.kingandshaxson.com

AUSTRALIA
PhillipCapital Australia

L Level 10, 330 Collins Street
Melbourne VIC 3000 Australia

Tel: (61) 3 9618 8238 Fax: (61) 3 9200 2277

www.phillipcapital.com.au

HONG KONG
Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway Hong Kong

Tel (852) 2277 6600 Fax: (852) 2868 5307

www.phillip.com.hk

JAPAN
Phillip Securities Japan, Ltd

4-2 Nihonbashi Kabutocho, Chuo-ku
Tokyo 103-0026

Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141

www.phillip.co.jp

INDIA
PhillipCapital (India) Private Limited

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,
Lower Parel West, Mumbai 400013

Tel: (9122) 2300 2999 Fax: (9122) 6667 9955

www.phillipcapital.in

UNITED KINGDOM
King & Shaxson Ltd.

6th Floor, Candlewick House, 120 Cannon Street
London, EC4N 6AS

Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835

www.kingandshaxson.com

SRI LANKA
Asha Phillip Securities Limited

Level 4, Millennium House, 46/58 Navam Mawatha,
Colombo 2, Sri Lanka

Tel: (94) 11 2429 100 Fax: (94) 11 2429 199

www.ashaphillip.net/home.htm