

MOOREAST HOLDINGS LTD

(MOOR SP / 1V3.SI)

1H26 update on earnings investment and funding

Chong Ting Shuo | +65 6202 1192 | tingshuo.chong@kgi.com

Investment Highlights

- **A funding reset lowers our target price.** We retain **OUTPERFORM** and reduce our 12-month target to **S\$0.134** from S\$0.195. The revised model gives a DCF value of S\$0.134 per share. Our revision reflects a larger cash investment burden, the loss of expected yard-sale proceeds and increased shares, despite a stronger outer-year revenue profile.
- **The first half was weak as anticipated but losses were deeper.** Revenue of S\$12.33m was 5.8% below our S\$13.1m forecast, while gross margin of 47.8% exceeded our 42.0% estimate. The group lost S\$2.82m and shareholders lost S\$2.88m, against the prior report's S\$1.4m net-loss estimate. The enlarged yard's costs were the more material earnings surprise.
- **Gross cash investment was underestimated.** We expected asset recycling to ease the transition, but the S\$29.7m sale of 51 Shipyard Road was rescinded. The separate 60 Shipyard Crescent lease still requires at least S\$38m of new machinery investment. We now show this programme explicitly and assume no replacement disposal proceeds.
- **Capacity raises potential revenue and financing needs.** We forecast FY26–27 revenue of S\$32.4m and S\$45.2m, below initiation, then S\$96.9m by FY30 as mooring, yard and renewable activity expands. This sales path is an analyst utilisation assumption. The model requires S\$27.2m of additional funding to preserve a S\$3m cash buffer; that funding is uncommitted.

Valuation & Action.

Our **S\$0.134** target implies 49.2% upside. We retain 15% WACC and 2% terminal growth. The recommendation depends on securing financing and converting capacity into profitable orders.

Risks.

Unsecured funding, further dilution, additional site-development costs, delayed awards and weak cash conversion could reduce value.

OUTPERFORM

Last close (S\$)	0.090
Current TP (S\$)	0.134
Previous TP (S\$)	0.195
Upside / (Downside) (%)	49.2%

TRADING DATA

Market Cap (S\$m)	31.31
Issued Shares (mn)	347.89
3M Avg Daily Vol (mn)	n.a.
3M Avg Daily Val (S\$m)	n.a.
Free Float (%)	n.a.

PRIOR SHAREHOLDER SNAPSHOT (%)

Feng Tai Invnt Pte Ltd	62.8%
ICH Capital Pte Ltd	3.5%
AGP Continuation Growth	2.6%

Financials & Key Operating Statistics

YE Dec (S\$'000)	2024	2025	2026F	2027F	2028F
Revenue	25,074	38,328	32,412	45,232	60,000
Net Profit	(2,307)	3,643	(3,486)	726	3,790
EPS (adj. S\$ cents)	(0.89)	1.41	(1.16)	0.21	1.09
EPS growth (%)	n.m.	n.m.	n.m.	n.m.	422.4%
DPS (S\$ cents)	N.A.	N.A.	N.A.	N.A.	N.A.
Div Yield (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Net Profit Margin (%)	(9.2%)	9.5%	(10.8%)	1.6%	6.3%
P/E (x)	n.m.	6.4x	n.m.	43.2x	8.3x
P/B (x)	1.6x	1.4x	1.0x	1.0x	0.9x

Source: Company data, KGI Research estimates

Business Updates

A modest sales miss but a larger earnings shortfall

Our 7 August initiation already treated FY26 as a bridge year, with a subdued first half followed by stronger project completion in the second half. The reported revenue decline therefore needs to be assessed against that expectation. First-half revenue fell 51.1% year on year to S\$12.33m, but was only S\$0.77m, or 5.8%, below our S\$13.1m estimate. Gross profit of S\$5.89m was 7.1% above our forecast, with gross margin of 47.8% exceeding our 42.0% assumption. The operating result consequently does not point to a broad collapse in project margins.

Figure 1: 1H26 P&L at a glance

1H26 S\$m unless stated	Initiation forecast	Reported actual	Variance
Revenue	13.10	12.33	(5.8%)
Gross profit	5.50	5.89	+7.1%
Gross margin	42.0%	47.8%	+5.8ppt
EBITDA derived	0.90	1.81	+S\$0.91m
Net profit or loss	(1.40)	(2.82)	S\$1.42m more loss

Source: Company, KGI Research

The larger miss was below gross profit. Administration increased 54.6% year on year to S\$7.32m, including S\$3.31m of depreciation, while upkeep rose to S\$0.45m. New-property costs totalled S\$2.95m, of which S\$2.22m was depreciation; the remainder included upkeep, property tax and financing-related charges. These costs arrived before the expanded facility generated revenue at a scale sufficient to absorb them. The group reported a S\$2.82m net loss and a S\$2.88m loss attributable to shareholders.

Project timing and slower activity both mattered

Mooring revenue fell to S\$6.94m from S\$16.08m, yard services to S\$3.06m from S\$4.22m and renewables to only S\$27,000 from S\$1.87m. Rigging and heavy lifting contributed S\$1.46m and marine supplies S\$0.85m. Management cited both slower market activity and project-delivery timing, with most projects secured during the period due to complete in 2H26. That supports a sequential recovery, but it does not establish the exact value or margin of second-half deliveries.

Management's illustration of approximately S\$0.1m net profit excluding new-property costs helps explain the transition, but we do not treat the full adjustment as recurring earnings available to shareholders. Depreciation represents asset consumption, while upkeep, tax and interest can persist. Reported other income also included a S\$0.31m equipment-disposal gain and a S\$0.31m research grant. We therefore anchor the update in reported earnings and cash requirements rather than applying a blanket exclusion to the yard's costs.

Changes since our initiation

The commercial rationale for the enlarged yard remains consistent with our initiation: conventional mooring provides the near-term earnings base, while greater fabrication capacity, waterfront access and concurrent project capability widen the opportunity set. The subsequent disclosures have changed the funding and timing assessment more materially than that strategic rationale. They show a larger fixed-cost base, a delayed operating ramp, binding investment conditions and the removal of a planned source of liquidity. These developments require a lower target even where our later revenue estimates rise.

On 14 August, the interim results showed that cash deployment had outrun internally generated funds. Operating cash inflow was S\$4.40m, but cash purchases of plant and equipment were S\$13.34m and investing outflow was S\$12.88m. Closing cash declined to S\$13.62m from S\$18.20m despite S\$5.85m of net placement proceeds received during the first half. Operating cash flow less gross PPE cash expenditure was negative S\$8.93m. In addition, the new yard was expected to begin operations in 4Q26, compared with the 3Q26 expectation in the March acquisition-completion release.

Lastly, Mooreast completed the capitalisation of S\$6m of shareholder debt at S\$0.135 per share. The 44.44m new shares increased issued shares from 303.45m to 347.89m. This improved the liability position and conserved future debt-servicing capacity, but it did not put new cash into the business. The remaining S\$7m shareholder loan has an extended maturity to November 2031 and can be repaid or capitalised under the agreed terms. Its possible future conversion is separate from the completed issue and is not assumed in our current share count.

The lease extension carries a substantial investment obligation

On 26 August, Mooreast accepted a further 20-year lease of 60 Shipyard Crescent from 20 August 2030. The accepted conditions require **at least S\$38m of new plant and machinery within three years** from 25 June 2026, development of at least 69% of the land area and a Temporary Occupation Permit, alongside green-building obligations. The longer tenure improves the period over which investment can earn a return but does not remove the upfront cash cost. The disclosure identified working capital, proceeds from the proposed sale of 51 Shipyard Road and bank borrowing as expected funding sources.

On 4 September, the option to sell 51 Shipyard Road was rescinded after JTC was unable to give consent. The previously announced S\$29.7m consideration had been expected to leave approximately S\$19.2m after debt repayment and transaction costs. These proceeds are no longer available from that transaction. The S\$1.188m stakeholder deposit was refundable, and Mooreast continues to seek an eligible buyer. We assume no replacement disposal until there is a transaction with sufficient certainty; retaining the property preserves an asset but does not make its value available as cash.

The two JTC decisions relate to different properties. Failure of the 51 Shipyard Road sale does not cancel the investment conditions attached to 60 Shipyard Crescent. There is no disclosed waiver in writing. We therefore retain the machinery programme in the forecast and recognise that its financing now depends more heavily on operating cash generation and external capital.

Outlook

Resetting earnings for a slower and more costly transition

We reduce FY26 revenue to S\$32.4m from S\$36.1m and FY27 revenue to S\$45.2m from S\$46.6m. These changes reflect the actual first-half result, the revised yard ramp and the need to earn replacement work after large FY25 mooring deliveries. We retain a second-half recovery but no longer assume that delivery timing alone produces the previous earnings rebound. FY26 shareholders' earnings move from a S\$4.27m profit to a S\$3.49m loss, while FY27 profit falls from S\$6.92m to S\$0.73m.

Figure 2: Our forecast adjustments

S\$m	FY26 old	FY26 new	FY27 old	FY27 new
Revenue	36.14	32.41	46.55	45.23
Gross profit	15.18	14.96	20.02	20.34
EBITDA	10.33	5.90	12.58	9.50
EBIT	7.61	(1.55)	10.07	2.66
PATMI	4.27	(3.49)	6.92	0.73

Source: KGI Research

The revised FY26 forecast implies 2H26 revenue of S\$20.08m, 62.8% above the first half, and a further attributable loss of approximately S\$0.61m. This remains a meaningful execution requirement. Management's expectation of higher second-half revenue supports the direction, but not the precise amount. Our FY26 outcome is therefore an estimate of recovery with incomplete cost absorption, rather than a return to the old full-year profit target.

A stronger gross margin does not offset all fixed costs

FY26 reported gross profit is only slightly below our original estimate, because the stronger first-half gross margin partly offsets the lower sales base. The larger earnings cut comes from recognising the enlarged overhead and depreciation burden. The revised model forecasts FY26 administration of S\$14.95m and depreciation and amortisation of S\$7.45m, compared with S\$9.32m and S\$2.97m respectively in FY25. Marketing, staffing, premises expenses and recurring operating support rise with the scale and readiness of the facility.

The longer lease supports a longer assumed useful life for the acquired building. We apply that benefit prospectively in the model rather than reversing reported first-half charges and add depreciation for new machinery over its assumed 12-year life. This is our accounting assumption depends on the company's policy and asset-level assessment as we get more updates. It reduces the abruptness of the depreciation profile but cannot create cash or eliminate the need to pay for the equipment. Cash leases and financing costs continue as separate burdens.

FY27 marks a modest return to profit, not immediate normalisation. Our S\$0.73m PATMI forecast carries a margin of only 1.6%, with interest expense of S\$1.84m. As further funding is drawn, interest expense rises to S\$2.63m in FY28 and S\$2.90m in FY29. Revenue growth must therefore cover both operating costs and the cost of financing the ramp. A faster revenue recovery alone is insufficient evidence that the balance sheet can support the investment programme.

We raise the outer year revenue assumptions

Our higher outer-year revenue estimates assume that the larger site and new equipment support a progressive increase in throughput and more concurrent projects. The broader opportunity includes conventional mooring, repair, fabrication and yard services before a larger renewable contribution develops. The investment requirement itself does not establish demand, and idle capacity remains a risk. This is a conditional forecast of commercial execution.

Figure 3: New revenue segment forecast

Revenue S\$m	FY26E	FY27E	FY28E	FY29E	FY30E
Mooring	20.0	28.0	32.0	36.0	42.0
Yard services	7.0	9.0	11.0	13.0	16.0
Renewable energy	0.4	2.5	10.8	20.1	31.6
Rigging and heavy lifting	3.2	3.7	4.0	4.3	4.6
Marine supplies	1.8	2.0	2.2	2.4	2.7
Total	32.4	45.2	60.0	75.8	96.9

Source: KGI Research

Conventional mooring remains the first source of growth. We forecast S\$20m in FY26, S\$28m in FY27 and S\$42m by FY30, reflecting replacement of completed projects and a larger volume of engineered systems, equipment and smaller recurring orders. Yard services rise from S\$7m to S\$16m as the larger site supports repair, fabrication and better asset use. These two activities provide S\$58m of FY30 sales, so the forecast does not rely solely on commercial floating wind. However, much of the mooring replenishment is assumed future business and must be supported by awards and delivery performance.

Renewable revenue rises from S\$0.41m in FY26 to S\$2.53m in FY27, then S\$31.63m by FY30. The model separates probability-weighted named opportunities from additional assumed wins. In FY30, approximately S\$12.53m comes from the weighted pipeline and S\$19.10m from further assumed business. The latter is almost one fifth of total group revenue and materially affects valuation. It should not be presented as contracted sales. Project financing, final investment decisions, customer selection and construction schedules remain the main conversion gates.

The revenue uplift occurs after FY27

Relative to initiation, FY26–27 sales are lower. The increase is concentrated in FY28–30, where revenue is now S\$60.0m, S\$75.8m and S\$96.9m versus approximately S\$48.4m, S\$56.1m and S\$58.3m previously. The revised FY26–30 compound growth rate is 31.5%, a demanding ramp from a weak base. The reason to raise these years is to capture the larger operating opportunity and required utilisation of the investment, while recognising that commercial evidence still needs to catch up with the forecast.

The model assumes a 48.5% cash gross margin from FY27, before production depreciation; reported gross margin is lower, at approximately 45.0% in FY27 and 44.4% in FY30. Rising machinery depreciation, a larger workforce, cash rent and working capital absorb part of the benefit. Stronger medium-term sales can therefore coexist with a lower target: revenue arrives later, requires more investment and financing, and is spread over more shares.

Funding and Cash Flow

Recognising the cash cost of expansion explicitly

We underestimated cash capex in our initiation. The forecast allowed only S\$1.1m annually despite a substantial yard expansion, and our funding assessment placed too much weight on the proposed sale of 51 Shipyard Road easing liquidity pressure. Gross cash capex is now S\$51.9m across FY26–30, versus S\$5.5m previously. The subsequent lease conditions make the machinery requirement explicit, while the failed sale removes the identified funding route. Gross investment must be recognised separately from any hoped-for disposal proceeds.

The investment programme was understated, the hoped-for asset recycling is unavailable, and the retained asset continues to tie up capital. We include no disposal gain or replacement sale proceeds in the revised base case. Any future monetisation would need to be assessed together with debt repayment, transaction costs and the operating effects of leaving the property.

Figure 4: Revised cashflow forecast

S\$m	FY26E	FY27E	FY28E	FY29E	FY30E
New machinery cash spend	2.00	14.00	16.00	6.00	0.00
Other cash capex	13.89	0.00	0.00	0.00	0.00
Net DCF cash capex	(15.45)	(14.00)	(16.00)	(6.00)	0.00
Additional funding drawn	0.15	14.48	12.56	0.00	0.00
Closing additional funding	0.15	14.62	27.18	27.18	27.18
Closing cash	3.00	3.00	3.00	5.04	19.20

Source: KGI Research

The machinery schedule totals S\$38m: S\$2m in FY26, S\$14m in FY27, S\$16m in FY28 and S\$6m in FY29, with the final tranche assumed spent by 25 June 2029. Annual phasing is our estimate. The S\$12.99m first-half property cash purchase is not treated as qualifying new machinery, and separate right-of-use accounting additions are not added to cash capex. The lease also requires site development; the revised model has no separate budget for that obligation. Additional development or maintenance spending would require a revision once its scope is known.

A S\$3m cash floor makes the financing gap visible

We assume minimum year-end unrestricted cash of S\$3m. This is our operating buffer for payroll, suppliers, tax and uneven project receipts, not a disclosed company target or covenant. We first calculate cash after operations, investment, existing debt service and other financing flows. When the result falls below S\$3m, the model adds debt-equivalent funding sufficient to cover the shortfall and interest on that new draw. It therefore avoids treating negative cash as a sustainable source of finance.

For FY26, pre-funding cash is S\$2.854m. Later years allow half-year interest on new draws and full-year interest on prior funding. FY27 and FY28 require S\$14.476m and S\$12.560m, bringing cumulative additional funding to S\$27.184m. Cash remains S\$3m through FY28 and rises thereafter. This quantifies the capital requirement; it does not establish that facilities are committed or that equity dilution can be avoided.

Valuation

Lower target price despite stronger later revenue

We retain OUTPERFORM and reduce our 12-month target to S\$0.134 from S\$0.195. We retain 15% WACC and 2% terminal growth, so the reduction does not come from a higher discount rate or lower perpetual growth assumption. It comes from a more cash-intensive transition, later earnings conversion and the larger share base, partly offset by stronger medium-term revenue and improved opening net cash.

Figure 5: DCF Model

DCF VALUATION <i>All amounts in SGD. Full-year FY26–FY30 cash flows. Year Ended 31' Dec</i>	<i>Projected</i>				
	FY26	FY27	FY28	FY29	FY30
EBIT after cash lease cost	(609,922)	2,982,214	7,380,765	12,530,879	20,732,175
Tax rate	17.0%	17.0%	17.0%	17.0%	17.0%
EBIT (1-T)	(609,922)	2,475,238	6,126,035	10,400,629	17,207,705
(+) PPE depreciation	3,014,722	2,406,906	3,421,826	4,150,428	4,249,977
Working capital cash change	548,053	(3,275,864)	(3,898,840)	(4,170,575)	(5,556,751)
(-) Net cash capex	(15,454,000)	(14,000,000)	(16,000,000)	(6,000,000)	-
Free Cash Flow	(12,501,147)	(12,393,720)	(10,350,979)	4,380,483	15,900,932
Terminal Value					124,761,156
Total FCF to be Discounted	(12,501,147)	(12,393,720)	(10,350,979)	4,380,483	140,662,087
PV of Free Cash Flow	(10,870,562)	(9,371,433)	(6,805,937)	2,504,556	69,933,917
Enterprise Value	45,390,541				
(-) Debt excluding leases	22,713,345				
(+) Pro-forma opening cash	24,049,000				
Equity Value	46,726,196				
Issued shares (actual shares)	347,894,444				
Fair Value / Share (S\$)	0.134				
Current share price (S\$)	0.090				
Upside / (Downside)	49.2%				

Source: KGI Research

Free cash flow bears the upfront investment burden

Forecasted free cash flow to the firm is negative S\$12.5m in FY26, S\$12.4m in FY27 and S\$10.4m in FY28, before turning positive at S\$4.4m in FY29 and S\$15.9m in FY30. These are cash flows before new borrowing: the capex and working-capital costs are already included. We do not deduct the S\$27.2m of future funding a second time from equity value. Borrowing supplies cash to finance those deficits; its availability and any dilution remain separate risks to the feasibility and per-share outcome.

The DCF treats leases as operating cash costs: right-of-use depreciation is added back, and cash lease payments are deducted, while lease liabilities are excluded from the debt bridge. This avoids counting rent and the associated lease debt twice.

Financial Summary

INCOME STATEMENT (S\$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	25,074	38,328	32,412	45,232	60,000
Cost of sales	(15,102)	(21,154)	(17,456)	(24,894)	(33,717)
Gross profit	9,973	17,174	14,956	20,338	26,283
Marketing and distribution	(834)	(958)	(1,170)	(1,357)	(1,800)
Administrative expenses	(9,063)	(9,324)	(14,951)	(15,341)	(16,289)
EBITDA	3,933	10,035	5,897	9,502	14,998
Depreciation & amortisation	(3,085)	(2,967)	(7,449)	(6,841)	(7,856)
Operating profit (EBIT)	848	7,068	(1,551)	2,661	7,142
Net finance income / (cost)	(1,669)	(1,494)	(1,925)	(1,787)	(2,576)
Other gains / (losses)	(1,246)	(858)	-	-	-
Profit before tax	(2,067)	4,715	(3,476)	874	4,566
Tax expense	(240)	(1,073)	50	(149)	(776)
Minority interests	-	-	(60)	-	-
Net profit (PATMI)	(2,307)	3,643	(3,486)	726	3,790
EPS (adj. S\$ cents)	-0.89	1.41	-1.16	0.21	1.09
DPS (adj. S\$ cents)	N.A.	N.A.	N.A.	N.A.	N.A.

CASH FLOW STATEMENT (S\$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before tax	(2,067.2)	4,715.4	(3,475.9)	874.1	4,566.4
Depreciation & amortisation	3,085.2	2,967.1	7,448.7	6,840.9	7,855.8
Working capital changes	831.2	1,418.1	548.1	(3,275.9)	(3,898.8)
Tax paid	(116.5)	(593.8)	(813.0)	(165.0)	(148.6)
Other operating items	1,202.6	909.0	1,970.6	1,789.4	2,577.9
Operating cash flow	2,935.3	9,415.8	5,678.5	6,063.5	10,952.7
Capex	(1,295.1)	(3,733.2)	(15,887.0)	(14,000.0)	(16,000.0)
Proceeds from disposal of PPE	1,238.6	541.7	433.0	-	-
Other investing items	(2,090.1)	3,631.3	52.0	50.0	50.0
Investing cash flow	(2,146.5)	439.8	(15,402.0)	(13,950.0)	(15,950.0)
Repayment of lease liabilities	(998.4)	(1,069.4)	(3,045.0)	(3,556.6)	(3,745.6)
Interest paid on loans and borrowings	(524.9)	(1,453.9)	(404.0)	(1,074.6)	(1,964.9)
Repayment of loans and borrowings	(1,058.9)	(1,168.4)	(1,328.0)	(1,400.0)	(1,400.0)
Other financing items	(879.4)	(783.4)	(946.5)	13,917.7	12,107.7
Financing cash flow	(3,461.6)	(4,475.1)	(5,723.5)	7,886.5	4,997.3
Forex gains/(loss)	3.9	(134.7)	247.0	-	-
Net change in cash	(2,672.9)	5,380.5	(15,447.0)	-	-
Beginning cash	15,623.2	12,954.2	18,200.0	3,000.0	3,000.0
Ending cash	12,954.2	18,200.0	3,000.0	3,000.0	3,000.0

BALANCE SHEET (S\$'000)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and bank balances	16,170	18,200	3,000	3,000	3,000
Trade and other receivables	8,262	7,110	6,216	8,675	11,507
Inventories	6,662	6,329	6,660	9,294	12,329
Contract assets	4,607	2,045	1,776	2,478	3,288
Prepaid operating expenses	1,161	771	1,800	1,800	1,854
Current assets	36,862	34,454	19,452	25,247	31,977
Property, plant & equipment	4,084	6,435	19,181	30,774	43,353
Right-of-use assets	28,631	28,636	41,638	37,204	32,770
Other non-current assets	1,719	1,163	872	870	868
Non-current assets	34,435	36,234	61,691	68,848	76,991
Total assets	71,297	70,688	81,143	94,096	108,968
Trade payables	3,581	3,677	2,911	4,148	5,503
Contract liabilities	5,441	1,471	3,241	4,523	6,000
Other current liabilities	3,435	8,816	5,069	5,053	5,680
Current liabilities	12,457	13,964	11,221	13,724	17,183
Long-term borrowings	23,095	21,785	14,575	27,651	38,811
Other non-current liabilities	16,634	12,364	24,269	20,916	17,380
Non-current liabilities	39,729	34,150	38,844	48,568	56,191
Total liabilities	52,186	48,114	50,065	62,292	73,374
Retained earnings	4,491	8,144	4,659	5,385	9,175
Non-controlling interests	-	(1)	58	58	58
Total equity	19,111	22,575	31,078	31,804	35,594

KEY RATIOS & VALUATION	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue growth (%)	(12.6%)	52.9%	(15.4%)	39.6%	32.7%
Gross margin (%)	39.8%	44.8%	46.1%	45.0%	43.8%
EBITDA margin (%)	15.7%	26.2%	18.2%	21.0%	25.0%
Net profit margin (%)	(9.2%)	9.5%	(10.8%)	1.6%	6.3%
ROE (%)	(12.1%)	16.1%	(11.2%)	2.3%	10.6%
ROA (%)	(3.2%)	5.2%	(4.3%)	0.8%	3.5%
Net debt / equity (x)	0.5x	0.2x	0.4x	0.8x	1.0x
Net debt / EBITDA (x)	2.2x	0.5x	2.2x	2.7x	2.5x
Dividend payout (%)	N.A.	N.A.	N.A.	N.A.	N.A.
P/E (x)	n.m.	6.4x	n.m.	43.2x	8.3x
EV/EBITDA (x)	11.6x	4.2x	7.5x	6.0x	4.6x
Dividend yield (%)	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Company, KGI Research estimates

KGI's Ratings

The following table summarises the ratings convention used by KGI Securities in this and other research reports.

Rating	Definition
Outperform (OP)	We take a positive view on the stock. The stock is expected to outperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Neutral (N)	We take a neutral view on the stock. The stock is expected to perform in line with the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Underperform (U)	We take a negative view on the stock. The stock is expected to underperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.

Disclaimer

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities. This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. You should independently evaluate particular investments and consult an independent financial adviser before dealing in any securities mentioned in this report.

This report is confidential. This report may not be published, circulated, reproduced or distributed and/or redistributed in whole or in part by any recipient of this report to any other person without the prior written consent of KGI Securities. This report is not intended for distribution and/or redistribution, publication to or use by any person in any jurisdiction outside Singapore or any other jurisdiction as KGI Securities may determine in its absolute discretion, where the distribution, publication or use of this report would be contrary to applicable law or would subject KGI Securities and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by KGI Securities to be reliable. However, KGI Securities makes no representation as to the accuracy or completeness of such sources or the Information and KGI Securities accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. KGI Securities and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of KGI Securities and its connected persons are subject to change without notice. KGI Securities reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) KGI Securities, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) KGI Securities, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; and (3) the officers, employees and representatives of KGI Securities may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business".)

However, as of the date of this report, neither KGI Securities nor its representative(s) who produced this report (each a "research analyst"), has any proprietary position or material interest in, and KGI Securities does not make any market in, the securities which are recommended in this report.

Each research analyst of KGI Securities who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of KGI Securities or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including KGI Securities' total revenues, a portion of which are generated from KGI Securities' business of dealing in securities.

Copyright 2021. KGI Securities (Singapore) Pte. Ltd. All rights reserved.